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AMERICAN INDUSTRIAL LEADERSHIP

~~A Study of~~

~~Some of Its~~ Certain Sociological Aspects of

by

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(A.B., Boston University, 1918)
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A Dissertation

submitted in partial fulfilment of the

requirements for the

degree of Doctor of Philosophy

GRADUATE SCHOOL

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SOME SOCIOLOGICAL ASPECTS OF INDUSTRIAL LEADERSHIP

CHAPTER I

INTRODUCTION

Problem of Industrial Unrest

Menace of industrial unrest.-- Modern industry is responsible for a fomidable group of social problems, generally described as "the labor problem." More accurately considered, this labor problem subdivides into many parts, each of which presents a challenge to social scientists. None, however, is more baffling and more complex than that known as "industrial unrest." Unrest, wherever encountered, interests society, because historically it has proved to be a potential menace. When neglected, it has forced its attention on those who would underestimate its importance. Thoughtful people today dare not overlook its symptoms when they appear. The increasing insistence with which they are now forcing themselves upon us warrants the abundant literature available on this subject. "There must be the stimulus of a recognized problem or dilemma or hardship",[1] if we are to bring to bear on a difficulty all the brain-power at our command. The stimulus is irrefutably

in evidence; the present question is how to attack the problem most effectively.

The approach is naturally determined by the causes which each investigator considers most vital. On this there appears to be no agreement. Many factors are recognized as contributing to the industrial disturbance, some superficial and others more deeply imbedded in the economic order. "The present unrest in the world of labor is due partly to temporary causes. Among them appear an increase in the cost of living which results mainly from inflation of currency; the desire of certain groups of laborers to share in the extortionate prices which their employers have been allowed to charge; the demoralization resulting from the excitement and changes caused by the war; and the dissemination of radical propaganda. But the present unrest is not due chiefly to circumstances of the moment; it is due more to deep-rooted aspirations which mark a stage in the actual evolution of society."[2] In other words, the spirit of unrest is easily and frequently provoked by various circumstances inherent in the economic world, but the present industrial disturbances point to factors more lasting and more defiant. An increasing number of students tend to emphasize "a feature of the present industrial unrest which differentiates it from that commonly existing

before the war. It cannot be denied that unrest today is characterized more than ever before by purposes and desires which go beyond the mere demand for higher wages and shorter hours. Aspirations inherent in this form of restlessness are to a greater extent psychological and intangible. They are not for that reason any less significant."[3]

Capitalism as a cause.-- The radical reformers blame our capitalistic regime for the discontent which looms so ominously, and would attack the matter promptly by overthrowing the present order. They err seriously, however, in overlooking the fundamental factors suggested above. "If the evils of labor relations attributable to capitalism are analyzed, we find that many of these defects are not peculiar to capitalistic organization, but are difficulties to be found to greater or less extent in any type of human organization for work."[4] Capitalism may complicate matters, but it can not be blamed for the existence of human factors inevitable in any organization. Leaders in any type of activity will share the opinion that "whenever any group is organized, whether for work or for pleasure, certain typical reactions may be observed among the members of that group."[5] On all sides we hear that co-

operation is the keynote of progress, but in no instance does that essential to progress appear easy to achieve. It is especially difficult in industrial relations because the present master-servant relationship evidently runs counter to a satisfactory "basic law of human relations."[6]

We have evolved this phase of industrial relationship from the changes resulting from the Industrial Revolution. In ancient times, slavery provided a law of human relations which served the purpose of those days; the owner possessed the slave, numbering him among his other goods, and controlling him in all his activities. Although superficially satisfactory, slavery brought troubles to the owners and to society generally. The slave was denied the status of human personality, lacked virtue, initiative, and self-respect, so that civilization suffered from the effects. The Middle Ages marked the introduction of a different form of industrial relation, that of feudal lord and serf. Although an improvement over the previous arrangement, serfdom was also contrary to the basic law of human relations. The serf was not owned by his lord, but he was bound to service on his lord's land. Moreover, this restriction of personal freedom resulted in the sharp division of society into classes, "anti-

social in the exclusive character of its manorial units, productive of a poverty-stricken working class, an arrogant, autocratic ruling class."[7]

Our present industrial worker, established in the factory system introduced by the Industrial Revolution, inherits this background, autocratic in character, and contrary to the law of human relations which we are seeking. To be sure, the modern wage-earner, enjoys a status unknown to the serf or slave. Theoretically, he is a free agent, free to dispose of his services, where and under whatever conditions he chooses. Actually, economic conditions limit his freedom in many ways. His lack of resources, for example, handicap him in the pursuit of work yielding the most favorable return. Often he lacks work of any sort and thus faces a situation less enviable than the lot of the serf, who was, at least, sure of creature comforts. His freedom is still further curtailed in the very nature of the relation between employer and employee. In the legal nature of this relationship we have the basis of the present trouble. According to the courts, when the laborer sells his service to the employer, he enters into the relation between master and servant. "Autocracy is inherent in the distinctive industrial relation of master and ser-

vant on which modern industry rests."[8]

Responsibility of capitalistic employers:- This runs counter to the principles of effective human organization, which have been demonstrated through the working of the ideal of democracy. Capitalism, if it chooses, can use its present structure to develop the ends in industrial relationships that are being sought in the sphere of politics. It is my purpose to emphasize the place that employers, considered as responsible social leaders, may play in this change so sorely needed by the group Graham Wallas terms "The Great Industry."[9] In all realms of social activity where change is necessary, we look to the few representing power, either earned or inherited, for the initiative. Employers, in view of the modern ideal of social justice, are accountable to society; they can not evade the burden which now awaits them.

Contribution of Social Science to Responsible Industrial Leadership

Need of understanding human nature:-- They may, however, find their responsibility considerably less irksome if they are willing and able to adopt what Watts calls the "psychological point of view in industry."[10] Employers contribute heavily to the social unrest today, because they are all too

often irresponsible leaders. In many cases their mistakes are not so much intentional as incidental. But well-meaning leadership may cause as much havoc as if the harm were deliberately planned. It is my contention that a keen understanding and appreciation of human nature will aid these leaders in meeting the responsibilities of the industrial world. The importance of the contribution which sociology and psychology can offer, imperfect as it is, is being widely recognized. Indication of the extent of this opinion is suggested by the bibliography found at the end of the paper. "It is evident that a careful investigation of the human aspect of industrial organization is greatly needed. Our increasingly complex civilization can no longer safely rely on guesses by management or the vague hope that humanity will somehow adapt itself to new working conditions we see fit to impose. A wide research into the nature of man is difficult.... Yet without it there will be no continuing dividends and no future for our particular experiment in social organization."[11] We need "experts in human research", and, to make the picture complete, we need employer leaders who are willing to take advantage of what these experts reveal. Already we have a group of pioneers, whose experiences we shall call for later; each member of this group feels that "most of the misunderstanding between men is due to lack of knowledge of each

other. When men get together and talk over their differences candidly, much of the ground for dispute vanishes.... In spite of the modern development of Big Business, human nature has remained the same, with all its cravings, and all its tendencies toward sympathy when it has knowledge and toward prejudice when it does not understand. The fact is that the growth of the organization of industry has proceeded faster than the adjustment of the interrelations of men engaged in industry."[12]

Employers have been puzzled and irritated at acts for which they could see no reason. They have suffered enormous loss and inconvenience because they did not understand the human elements with which they were dealing. These puzzling acts are often "capable of being understood when one is in possession of the facts." These offenders, "being members of the human race,...possess the equipment, mental and moral, that belongs to the race as a whole, and therefore react to any given stimulus in a characteristically human way. Working people worry about the same sort of things that other people worry about. The aspirations of a hod carrier and a banker are not essentially dissimilar. Each dislikes to be thwarted in his purposes; each resents a denial of his rights or an affront to his dignity; each, in addition to his economic ambitions, desires an outlet

for his spiritual and emotional nature. When we understand that, we are ready to understand the 'labor problem.'"[13]

Whiting Williams donned overalls and worked as a wage-earner in the factories here and abroad in an effort to discover if his assumptions concerning the importance of the human element were correct. He found it worth while to record his experiences "in the belief that the chief causes of the troublesome factors...are as deep as human nature -- and no deeper." He insisted that "a better understanding of the fundamental humanness of all the persons connected with the industrial process, whether in one group or another...is indispensable to both the preservation and upbuilding of the life of our nation."[14] Industrial leadership today calls for men who can penetrate beneath the superficial reasons for employees' conduct, men who can appreciate human values, and who do not hesitate to give due importance to these values.[15] They expect trouble when they forget to consider the springs of conduct, and hasten to rectify their mistakes in the light of their knowledge of human nature.

Neglect of human nature by economists.-- Economists have only recently stressed this phase of the problems with which they deal. In the past, for the most part, they "have been more or less blind to the social-psychological basis of economic life, owing to their penchant for deductive thinking

and to the persistence in 'economic' assumptions of individualistic assumptions as to economic behaviour."[16] Even now, there is no universal tendency to apply the teachings of the social scientist to the problems of the economists. "Economists of vision long ago widened the scope of their inquiries, and certain brilliant inductive studies have discredited the traditional formulas and revealed the social-psychological assumptions. But there seems to be little agreement among economists as to the significance of the new movement."[17] This present attitude reflects the rigid theories of the founders of the""dismal science." Now and then a brilliant exception appears, either among the economists or their friends, the employers. "Thus, Robert Owen was gravely concerned about it (the human element) soon after the arrival of the Industrial Revolution, and sixty years ago, John Ruskin, to quote another shining example, sounded a still-echoing note in favour of the scientific study of the human aspects of economics and industry. But the prevailing scientific interests of his time were materialistic, and industrial psychology (the study of human nature in industry) was impossible as a science so long as nature was regarded by the scientists of the school of Huxley and Tyndall as a vast machine, wonderfully intricate in all its mutually dependent parts,

and while labour was organized on the principle that man himself might safely be treated as a mechanical unit and as little or nothing more."[18] Strangely enough, the economists who maintained this view, or approximations to it, are disloyal to the sentiments of the founder of the sience, Adam Smith. While his "Wealth of Nations" and his "Theory of Moral Sentiments" contain much that might bear the label of sociology or social psychology, his followers have tended to keep farther and farther away from the suggestions to be had in a study of human nature.

Recent tendencies toward Social viewpoint.-- Within the last decade among a group headed by the late Professor Carlton Parker, Mr. Ordway Tead and others, there has appeared an earnest desire to accomplish "pioneer work in drawing attention to the basic human instincts of the workers and to the fact that industrial management has not yet scientifically adjusted many working conditions to conform to the basic instincts of the human beings who supply the labor for industrial enterprise."[19] Unfortunately, Professor Parker's contribution was ended by premature death, so that it remains for his followers to carry out his teachings with regard to the economic significance of the human instincts.[20] There is no better exposition of his doctrines than that contained in the book of his disciple, Ordway

Tead, entitled "Instincts in Industry." In this book Mr. Tead attempts to show "by means of a varied collection of facts, incidents, and anecdotes, that human conduct tends to become not only more intelligible but more amenable to control as we view it in the light of an understanding of the instinctive mainsprings of action," especially with reference to the activities of manual workers.[21] This book, published in 1918, was an outgrowth of a conversation with Professor Parker just before his death. The literature has since become moreabundant, coming from the pens of technical writers and also of those who are actively engaged in the experiments of which these scientists write. "Investigations along these lines are difficult owing to the fact that the social scientist cannot make experiments at will, as can students of the natural sciences. He must await his opportunity. And opportunities are more apt to come to men actually in business life, as engineers or managers, than to the social scientist on the outside."[22] Therefore, the greater part of the sources consulted for this paper consists of books and articles reporting on these actual experiments. It has been my desire to use the statements, wherever possible, of responsible industrial leaders to support the contentions I maintain.

Out of fairness to the students of labor unrest who

have honestly sought help from sociology, it should be stated that traces of social psychology have persisted in economic writing more than is perhaps recognized. These economic thinkers have strayed far from Mill's contention that political economy had nothing to do with the sciences dealing with human nature.[23] Illustrations are found in the work of Fisher, Seligman, Johnson, Seager, Ely and many more.[24] Taussig's "Inventors and Money-Makers" is a striking illustration of the application of human nature to economic problems. Another similar instance is Professor Pigou's "Wealth and Welfare." The scientific spirit of reverence for the complete truth will doubtless swell the ranks of these in the future. An increasing number of books on labor problems is likely to contain the acknowledgment found in Watkins "Introduction to the Study of Labor Problems." "more and more," he writes, "we are learning to appreciate the psychological and physiological factors in production. The human element in industry has received increasing attention in recent years on account of the contributions of the science of psychology. It is not sufficient to understand the technical processes of production; physical and mental effort is fundamental to production, therefore it is necessary to understand the instincts,

impulses, and aspirations that motivate the men who toil."[25] "The Worker in Modern Economic Society", by Douglas, Hitchcock and Atkins, recognizes that "to gain the most partial understanding of modern economic organization some assumptions about human nature are necessary."[26]

Interrelation of the social sciences.-- It is important to make clear what these assumptions are with regard to the purpose of this paper. The words sociology, psychology, and social psychology have been used to describe the sciences contributing to the desired knowledge of human nature. It is not my intention to handicap myself in the application of this knowledge through an attempt to keep within the bounds of any one of these subjects, if, indeed, it were possible to discover so easily the exact boundaries. I prefer to follow the method used by ProfessorGroves in his "Personality and Social Adjustment". He considers sociology the science which "assumes the task of interpreting group experiences. It is also the science that especially attempts to further social progress..... Sociology has found from experience that it can make no headway either as a science or as a division of social service unless it has a better understanding of human conduct. Thus it has been forced to dig down into individual conduct in its search for explanation of the social exper-

iences of men and women. In recent years it has drawn heavily upon psychology and psychiatry. Indeed all three sciences handle in large measure the very same material but with differing viewpoints and purposes. The co-operative and supplementary relationship between sociology and psychology appears as soon as one attempts a diagnosis of behavior, whether the diagnosis proceeds from the social to the psychic or from the psychic to the social."[27] The inevitable interrelation of these sciences and their frequent overlapping should make them all the more serviceable to society. "When psychologists become willing to join hands with the students of social science, it will be a day of prophecy and hope for the solving of human problems,"[28] and no one can deny the human aspects of the labor unrest.

Since there exists so much difference of opinion among the social scientists, it is important to make clear the assumptions on which I intend to build. After all, the points of controversy are not vital enough to be permitted to hinder those who would use them in the solution of pressing problems. In the perplexities of "human engineering",[29] we are "concerned not with the anatomy of the dispositions, which belongs in a treatise on personality, but with their functioning in social relations."[30]

The activities of any group are definitely related to the motives of the members. In our study we are interested in the ways in which the motives imbedded in human nature affect individuals in their industrial relationships.

Part played by instinctive tendencies.-- The sociologist makes frequent reference to the instincts and their influence on human conduct. While these are important, they must not be considered as safe guides in determining conduct, nor can we assume that pure instinct operates in conduct.[31] It makes no very great difference, for our purpose, whether we adopt McDougall's famous definition of instinct or some of the simpler explanations. We might agree that instinct is "an inherited or innate psycho-physical disposition which determines its possessor to perceive and to pay attention to objects of a certain class, to experience an emotional excitement of a particular quality upon perceiving such an object, and to act in regard to it in a particular manner, or at least, to experience an impulse to such an action."[32] But we should come nearer to an understanding of these human factors if we simplify the explanation of instinct, as the sociologist frequently uses the word, in some such way as Professor Groves suggests. "Instinct", he says, "has tended to

become a name for habitual behavior characteristic of man in his social relations."[33] Carleton Parker refers to them as "unlearned tendencies to action", another name for "the original physical baggage, the so-called instincts, which accompanies the remarkable anatomical contraption we have called man."[34] A similar modification of the longer definition is given by Veblen, who refers to the instincts as "the innate and persistent propensities of human nature....as they take effect in the give and take of cultural growth."[35]

Difference of opinion concerning instincts.-- There is no agreement concerning the number of instincts any more than there is unanimous opinion regarding their definition. "Although hunger, self-preservation, and the reproductive impulse (including sex and the parental instinct) are the basic drives that influence man socially, there is at present great difference of opinion among the authorities regarding the number of the instincts, some defining many and some few."[36] McDougall would separate the instincts and "the emotional and conative tendencies characteristic of each one of them." He speaks, for instance, of the instinct of flight and the emotion of fear, the instinct of curiosity and the emotion of wonder, the instinct of pugnacity and the emotion of anger, and so on down the detailed list he provides.[37] That is, McDougall

classifies the instincts in accordance with the emotional experience characteristic of each. Parker bases his study of the instinct in industry on an equally long list, more properly termed, in his own words, a "catalogue of instincts....those motives to conduct which, under observation, are found to be unlearned, are universal in the species, and which must be used to explain the innumerable similarities in behavior, detached in space and time from each other."[38] The "catalogue", if complete, is a formidable one, and from its size, of necessity limits the discussion of each of the behavior tendencies. From the popular list suggested by Professor Groves,[39] and a similar one by Ordway Tead,[40] I have chosen for special consideration in connection with the problem of industrial unrest, the following: workmanship, possession, self-assertion, the instinct of the herd, and the instinct of pugnacity. Other closely-related tendencies attach themselves naturally to these, such as the parental instinct and the play impulse. These are chosen for special attention because they play such a conspicuous part in the industrial activities.

Importance of instinctive tendencies.-- For those who may question such emphasis on these innate tendencies, there should be added a word concerning their importance in human

conduct. I am following the suggestions found in the teachings of those social scientists who would agree to the fundamental significance of the following statement from Carleton Parker. He contends that emphasis on these basic dispositions is justified, first, because he believes "that these tendencies are persistent, are far less warped or modified by the environment than we believe, that they function quite as they have for several hundred thousand years, that they, as motives in their various normal or perverted habit form, can at times dominate singly the entire behavior and act as if they were a clear character dominant; secondly, that if the environment through any of the conventional instruments of repression such as religious orthodoxy, university mental discipline, economic inferiority, imprisonment, physical disfigurement, such as short stature, hare lip, etc., repress the full psychological expression in the field of these tendencies, then a psychic revolt, a slipping into abnormal mental functioning, takes place, and society accuses the revolutionist of being either wilfully inefficient, alcoholic, a syndicalist, supersensitive, an agnostic, or insane."[41]

It is, of course, far from my attention to maintain that we should gratify, unconditionally, the impulses which

are "clamoring for recognition and expression."[42] Society demands of each of its members a socializing, as it were, of the human dispositions, the ultimate end sought being the welfare of the group. Instinct must be subjected to the authority of reason; the sovereignty of intelligence can not be denied. However, we shall continue to be troubled by these basic elements, if we overlook their significance. "The life-energy still courses in part in the old channels even when behaviour is rational; but the outlet into expression is notably improved and refined. It is, therefore, essential to the preservation of health, sanity and vigour that the original channels through which the main currents run are not in any way blocked. Development depends upon free and varied expression, and in so far as modern industry prevents this, it is either dangerously diverting or damming up a flood which will eventually burst through its barriers and destroy what we treasure most."[43] This theory, while underestimated by some,[44] has much in the way of practical evidence, as we shall see, to justify it. In short, while we stress the importance of intelligence in modern civilization, we can not afford to forget that "the dependence of the race on its endowment of instincts is no less absolute for this intervention of in-

telligence...Men take thought, but the human spirit, that is to say the racial endowment of instinctive proclivities, decides what they shall take thought of, and how and to what effect."[45]

Overlapping of various tendencies.-- It is important to note that this separation of the various tendencies is artificial. In actual life, men act as a complete unit; so that it is not possible to distinguish sharply the several factors which blend to give us the result apparent in human behavior. The separate traits do not stand out as isolated elements; they merge into one another so that the clean-cut tracing of any one is obscured. In most instances, it is difficult to distinguish what is inborn from what is acquired, and of the inborn tendencies, no individual instinct is permitted to have the whole field of the human being to itself at any time; it vies with its fellow-instincts in claiming the attention of the individual member of society. It is only for the purposes of more carefuly study that we separate the various parts of the innate equipment. It should be kept in mind that at no point is there any intention of entering into any controversy regarding the instincts themselves. Their interest for this study lies solely in their influence on the conduct of those responsible for our industrial unrest.

CHAPTER II

THE EMPLOYER AS A SOCIAL LEADER

Importance of Leadership

Leadership indispensable to organization.-- Assuming, then, that these basic factors in human nature are of such significance, it follows that they are of particular concern for our industrial leaders. It is too often maintained, indirectly, if not directly, that management is concerned with material things, machines, organization; we are inclined to forget that modern industry is most wisely considered as a group of human beings, presumably co-operating toward a common end, and thus presenting all the problems inherent in any social organization. As in every effective organization, efficient leadership and followership relations are essential. More rapid progress in the solution of our present industrial dilemma may follow a detailed analysis of the leadership it represents. First, we must stress the importance of leadership, a factor which is commonly belittled or misunderstood. Leaders themselves often do not realize their social responsibility, probably because of the influence of our former laissez-faire policy with regard to business. Employees, who make up the followership, do not understand the neces-

sity of the right type of leadership and of their loyalty to these leaders. "Democracy has recognized the fact that an associate group can not think, can not find out what its feelings are, can not have a common opinion or a common will without leadership."[1] Sociological writings abound in emphasis on this phase of organization; in all cases there is agreement as to the importance of leadership.

Leadership assumes this authoritative significance in social life, industrial as well as elsewhere, because experience has taught that there is not progress without it. Instead of orderly co-operation, we have chaos; there can be no group activities unless they are organized about definite leaders. This is true because "an organization must have a leader on whom to focus its aspirations. He must have enough imagination to express explicitly what the collectivity feels vaguely."[2] The necessary adjustments become possible through the co-ordination resulting from leadership.[3] We have long recognized the truth of all this in most of our social relationships. Strangely enough, in that phase of society which is proving most troublesome today, we are just beginning to apply this concept. The more complex group activities become, the more

indispensable is adequate leadership. With the growth of modern industry, there is present an unusual field for the powers of the right types.

It is unquestionable, as one industrial leader puts it, "A supreme opportunity is today presented to the intelligence of those who by ownership are in control of industry. They stand at one of the cross-roads of history. It is within their power to determine upon which road the trend of human progress shall proceed."[4] Unless this responsibility is accepted as a fundamental concept in our industrial dilemma, all our efforts at improvement are destined to failure. "Changes in control or status are comparatively superficial if this problem is not given first attention....The world's work requires that men must be marshalled to do that work under some sort of organization and leadership...But neither the self-realization of men, nor maximum results in goods, services or profits, can be achieved unless sound methods of organization are introduced. It is the bed-rock of more harmonious adjustments in all our activity."[5]

Present lack of responsible leadership.-- Possibly we can apply to the industrial situation, with its lack of respect for responsible leadership, the explanation which Miss Follett gives with respect to our political

organization. "American democracy," she writes, "has always been afraid of leadership. Our constitutions of the eighteenth century provided no one department to lead, no one man in the legislature to lead, Therefore, as we must have leadership, there has been much underfined, irresponsible leadership."[6] From whatever cause, fear or ignorance or lack of available leaders, industry is suffering seriously at the present time from the fact that this last statement applies directly to its condition. We have of necessity always had so-called "leaders",--the owners of the enterprises, who have considered themselves more masters than leaders. Their handling of the human factors in their organization directs our attention to the need not only of leaders, but of the right type of leaders. Joined to the concept of responsible leadership must be that of co-operating, responsible followership. This means, to put it in other words, that "the essentials of effective co-operation are: 1. strong executive leadership, and 2. the good-will of the co-operating membership."[7] As has been suggested before, it is the purpose of this paper to indicate how these two essentials may be put into operation in our industrial world through a better understanding of human nature on the part of the leaders who are attempt-

ing to secure its effective co-operation.in industry.

Evolution of industrial leadership.-- There are, of course, many types of leaders. The present trend in industrial leadership will be better understood if we glance briefly at the evolution of this relationship between employer and employee. Baker gives five: 1. the autocratic form, under which the employer felt free to act as he wished toward the employees under his control; 2. the autocratic type softened somewhat by welfare work; 3. the "militaristic method", under which labor, organized in self-pretence, attempts to break away from the bonds of the industrial tyrant; 4. the "new co-operative method", granting to employees the respect due human beings, and seeking to establish peace; 5. the idealistic dream of the future, providing machinery for perfect industrial democracy.[8] We are at present in the throes of transition from the militaristic method to the co-operative method, and the outcome rests principally on the development of sufficient leaders to effect this much-needed change. It will prove helpful to examine closely the two outstanding types of leaders who stand at opposite ends of this situation, -- the autocratic leader of the older order, and the "new leadership" of the coming in-

dustrial democracy.

Autocratic Leadership vs. Democratic Leadership

The industrial autocrat.-- The literature describing the autocratic industrial leader tends to rival that holding up to ridicule the political autocrat. We must exercise care not to make this topic "the football of our emotions", as Lewisohn expresses it.[9] So much injustice has characterized the rule of the autocratic employer, that there is a temptation to overdraw the picture and color the facts by excessive emotional reaction. What we need is a cold, unbiased analysis of the facts with regard to autocracy in the sphere of industry. The old-time system is based on an individualistic attitude toward labor. It depends for its continuation on a "domination-submission, or domination-resistance -- mutual antagonism -- and the men who reach the positions of power and influence in the system are apt to be those who excel in dominating power."[10] Possibly the dominating employer was not aware of the underlying philosophy of his attitude toward his employees, but this unawareness of motive did not weaken the force of the tyranny, if any worker dared oppose his individual desire against that of

his master.[11] Naturally, these types of leader disregarded the question of human relations; they knew little about the human beings under them, and, in most cases they deliberately disregarded their responsibility as "assemblers and organizers of man-power."[12] Their main concern was with more technical matters pertaining to the all-important machines, and, indeed, man was more or less of a machine, as far as he was related to their business.

Insistence on special privilege.-- Those who refuse to play a part in the new regime of industrial democracy are exponents of special privilege, claiming for themselves superior social advantages over their fellowmen. They refute in their industrial relations the fundamental principles of our political democracy. These, briefly stated, are service, liberty, equality, brotherhood, and, most important of all, is service. "This is the basis of all the world's highest idealism. Service speaks in terms of duty. Under conditions of inequality, enforced through institutional restraint, 'liberty' was first given a negative meaning. But with slavery abolished, the concept of liberty is interpreted as 'the right of self-determination,' and thus is given an unselfish significance. By the 'right of self-determination' is meant the right of the individual to choose what service he

shall undertake to render to the group -- the right of each member to choose his own career and make the most of it so long as he chooses to do something that is serviceable...Thus, adopting this view of liberty, only those who are not social-minded are not free."[13] The autocratic leaders, "warped by self-interest", falsely claim that it is their right to resent the interference with "their business" which the new leadership invites. They ridicule the ideals of those who advocate "the law, not of coercion, but the law of goodwill."[14] The supporters of leadership through appeal to faith and confidence of the followers have found in surprising measure that they have adopted the more effective means of control. They are quick to appreciate the fact that "human nature being as it is, there is more to be done by attraction than by pushing -- more by emulation and encouragement than by driving and punishment."[15] We can not ignore the difficulties encountered in achieving this ideal, but the ultimate results are certain and of a character to warrant the necessary effort.

Control through appeal to fear.-- The weapon on which these autocratic leaders depended for the enforcement of their power was fear.[16] They represent a sharp contrast to the democratic leadership which seeks support from

appeal to good-will and which earns that good-will by due respect for the personality of the employee. Fear, however, appears none the less reliable for those who still maintain the domination-submission attitude toward the workers. Fear apparently proves an effective weapon for the desired result, because the power thus bolstered seems indomitable. Those who are ruled by fear are obliged, for the time being, to bow to unjust authority. Autocratic rulers, industrial and political, realize this, and capitalize the need of submission on the part of the subordinates. "You've got to throw the fear of God into them" said one employer's representative.[17] What he meant was the "fear of joblessness"! The workers have no sense of striving for perfection in their task in the hope of deserving a reward; they are driven to their work, helpless in their submission to a ruler who counts on the effectiveness of an appeal to fear of punishment. "Old General Fear", as Whiting Williams personifies him,[18] is a deceptive ally; he is bound inevitably to lead his friends into the hands of the enemy. It could not be otherwise, because fear is a destroyer of loyalty, a quality which even the old-time war-chiefs recognized. "A leader whose followers were bound

to him by fear of punishment only would have no chance of success against a band of which the members were bound together and to their chief by a true conscientiousness arising from a more developed self-consciousness, from the identification of the self with the society."[19] The wiser of the autocratic employers attempted, without endangering their power, to enlist the good-will of their employers through paternalistic schemes, which superficially sought to identify the worker with the society of which he was a part.

Hatred the result of fear psychology.-- The hatred engendered by continued application of this fear psychology was directly responsible for the undermining of autocratic authority. In indsutry it is unfortunately still hard at work, having accomplished its ultimate destruction to a limited extent. It has had its way fundamentally, however, because it has succeeded in bringing about a conflict in ideals which is centering present attention on the newer social ideal of industrial democracy. The ill-will resulting from autocratic leadership has proved the truth of the statement made by William James. "Great indeed is Fear," he wrote; "but it is not, as our military enthusiasts believe and try to make us believe, the only stimulus known for awakening the higher

ranges of men's spiritual energy."[20] This anti-social effect of appeal to fear as a means of control is responsible for the difficulty we shall later encounter in the introduction of the principles of the new leadership. "The bitterness and prejudice of the residents of a small village against the Company are hard to explain except as the reaction of men and women politically free, to the industrial autocracy of the mill under whose discipline they and their relatives have worked perhaps for generations. Old sores are hard to heal. An attitude of antagonism to the Company is often traceable to the memories of 'the old days'."[21]

Resulting tendency toward disintegration.-- While control through appeal to fear may appear to bring about the desired ends, the results of the hatred incidental to this type of control defeat the purpose of organization. Human beings come together in various forms of association that they may more effectively carry out certain activities. Industry represents one of these forms, just as the state represents another. Progress in any of these associations is dependent on co-operation, and co-operation can be secured only when stimulus of good-will motivates the individuals comprising the social group.

Hatred, on the contrary, has a disintegrating influence. Fear of the results of disobedience may hide for a time these destructive effects, but they can not be avoided. Good-will has been likened to the cement which holds individuals together that they may achieve the purposes of association. Hatred brings about the disintegration of any co-operative group which it dominates, because it removes this social cement. The basis of effective organization is missing, and demoralization, partial for a time, complete eventually, is inevitable.

Failure of autocracy.-- Autocracy has failed because it has not justified its existence, because it has failed to serve the society which supports permanently only those institutions which prove serviceable. It has met defeat in politics for essentially the same reasons, and even the most pessimistic critics of democracy can not predict its return. "Autocracy is forever discredited, even among its own supporters. Unless some other basis can be found upon which to re-establish its economic and political institutions, modern civilization is doomed."[22] The pioneer spirits in the movement for industrial democracy believe that, imperfect as the present machinery is, and slow as the results are, future success is inevitable because the

new relationship, as in the realm of government, is based on a sound psychological principle of the importance of good-will. This concept enables us to build constructively and conserves the energy which formerly expended itself on manifestations of ill-will and directed attention away from the real sources of the trouble. "The daily cry (no, let us name it from its proper origins), the daily howl for more drastic net-work of force is worse than a futility, because it incites and adds to every evil it would abate. Passion and hate against persons has this devilish ingenuity; it turns every thought and energy away from the real sources of our trouble."[23]

Recognition of weakness and efforts to maintain good-will.-- Autocracy, by its very failure, attracts social attention eventually, and brings about efforts to regain the good-will necessary for harmonious organization. Society refuses to tolerate an institution which proves unserviceable, and thus removes the sanction essential to the existence of any institution. Autocratic leaders represent a handicap to the re-establishment of effective organization and tend to come under the ban accorded all factors associated with autocracy. In the attempts to restore a more useful organization, based on good-will,

emphasis is laid on the importance of democratic leaders to manage the new regime. They are the pivotal element in the achievement of the good results promised by industrial democracy.

Meaning of Democratic Leadership in Industry

Respect for individual initiative.-- This brings us to a consideration of just what the ideal of democratic leadership in industry represents. To many it is a form of paternalism and consequently open to suspicion and criticism. The true conception is far removed from the tinge of paternalistic leadership. It recognizes the dangers inherent in a system of control which removes individual initiative. "Paternalism lacks principle, since the share of labor consists of benevolent, arbitrary concessions. It fails to stimulate co-operation, since there is no community of purpose nor consultation with employees."[26] The new leadership has too much respect for the development of the worker's personality to take over the principles of paternalism. Doubtless some of the group of modern employers who apparently advocate the principles of industrial democracy are guilty of approximating, at least, the sins of a benevolent autocrat who protects his power by

the camouflage of paternalism.[27]

Dependence on good-will.-- The democratic leader grounds his establishment on the firm foundation of faith and good-will, in direct contrast to the principles of his industrial predecessor. Consequently, the relations of employer and employee are becoming those of "citizens in industry."[28] This relationship involves no weakening of the moral fibre of our necessary social leadership. "Let Faith be substituted for Fear; let mutual consideration and confidence supplant suspicion, and constructive good-will replace resistance; let the parties to Industry recognize a mutuality, not a conflict of interest, in all that pertains to maximum production and equitable distribution of wealth; and what is the result? Immediately, fresh energies are released, a new freedom is given to effort in Industry. Productivity is increased, as are also the respective rewards of all the parties."[29] The writer of these idealistic words, W. L. Mackenzie King, has had sufficient practical experience with labor to give his advice weight. He is absolutely convinced that "the brute instinct of Fear must give way to the sublime quality of Faith. It is to the head, not to the body of the Sphinx,

we must look for inspiration. Reason, not Force, must control."[30]

The service ideal -- the basic concept of democracy. -- Leadership in a democracy, whether political or industrial, recognizes the service ideal as basic. The service ideal in industry is a special application of a broad principle inherent in all democratic organization. This excludes all industrial leaders who look upon their position as one of privilege, just as it eliminates all political leaders who regard their power as absolute, without reference to the needs of the community which, in democracy, represents true sovereignty. Note, for example, the working of the Constitution of Massachusetts, as confirmation of the service ideal: "No man, nor corporation, or association of men, have any other title to obtain advantages or particular and exclusive privileges, distinct from those of the community, than what arises from the consideration of services rendered to the public; and this title -- being in nature neither hereditary, nor transmissible to children, or descendants, or relations by blood, the idea of a man born a magistrate, lawgiver, or judge, is absurd and unnatural."[31] If we apply this principle to the sphere of

industrial leadership, we must conclude that the employer is under social obligation to use his power only in such ways as are beneficial to the community he serves. Property is socially justified because through it leadership is made effective; therefore, leaders of industry who abuse their property rights are exercising license, not liberty. To apply again the wording of our political document, they must remember that "Government is instituted for the common good; for the protection, safety, prosperity, and happiness of the people; and not for the profit, honor, or private interest of any one man, family, or class of men."[32] Democratic employers, that is, can not look for protection from the government, when they seek to exploit those under their control.

Viewpoint of the social psychologist.-- Industrial leadership has much to gain in its experiment with democracy from the light which the social psychologist is prepared to shed on his problem. Just as social science today applies its concepts to politics, so it seeks to render similar service to industry. An outstanding example of this viewpoint is found in MacIver, who carries out in his "Modern State" the fundamental principles he elaborates

in his "Elements of Social Science." To him, community or the area of "common life" is the big thing, and is deserving of first consideration. Association, he defines as "an organization deliberately formed for the collective pursuit of some interest or set of interests which the members of it share."[33] Those organized thus in pursuit of economic interests are mutually interdependent, and, in turn, are subservient to the community which they serve. This interdependence is especially prominent in the division of labor in industry. "Of all social institutions the division of labour is the most universal, being coextensive with society itself. The term division of labour obscures the character of the institution, for it is in the first place a form of co-operation. It is more, however, than co-operation....As the division of labour permeates further, it creates a new type of social cohesion... This new solidarity arises from the recognized dependence of each on each, not simply from the general sentiment of likeness of kinship."[34] The whole economic order rests upon the principle of mutual service.

Another prominent writer in the field of social psychology, Charles Cooley, emphasizes the same viewpoint. "A

larger spirit of service," he writes, "is the active side of the democratic feeling. A life of service of some sort -- in behalf of the clan or tribe, of the chief, of the soverign, of the mistress, of the Church, of God -- has always been the ideal life, since no imaginative and truly human mind contents itself with a separate good; what is new is that the object of this service tends to become wider, with the modern expansion of the imagination, and to include all classes, all nations and races, in its ideal scope. The narrower boundaries do not disappear, but as they become less distinct the greater whole becomes more so. As the child grows until he can see over the hedges bounding his early playground, so the democratized individual has outgrown the limits of the clan or the caste."[35] This is simply another way of expressing MacIver's idea of community, to which industrial leadership, as well as industrial followership, is under obligation as elements in the public service.

Industry as a public service.-- The new leadership recognizes industry as being a form of public service, a form that challenges the best in manhood. This doctrine of public service is based on the principle of social justice toward which our democracy is striving. "The doctrine of

social justice, whereby the economically strong share the burdens of the economically weak, and on which the principle of the National Minimum is based, is the antithesis of the doctrine of Force. It is founded on a conception of Right in contrast to a belief in Might. It signifies brotherhood, not fraticide....Social justice would not deprive position of its advantage, but it would require of advantageous position, a wider measure of social service."[36] Service of this sort, if rendered by intelligent management, will utilize, as Taussig suggests, "the most potent force for the progress of mankind", by turning it into "channels of general service."[37]

Opposition from conservative employers.-- In spite of the failure of autocratic leadership, there are remnants, outstanding illustrations, of the "Old Guard among employers," as Filene describes them. They must realize that "in facing this gathering consciousness of dignity and value in the workingman, they are front to front with a force as natural and inevitable as summer warmth and summer rain. But to them the force seems a menace and not a help. It strikes them as an assault on their own dignity and authority, a rocking of their thrones, to be fought to the last."[38] These remnants of the older type

of leadership offer a formidable militaristic opposition to the new leadership. If they were willing to be guided to the right attitude by the experience of the past, they would save themselves and society a tremendous amount of loss and suffering. Were they reasonable, the present fear of radical action on the part of impatient workers would be lessened, and, in time, destroyed. "The danger of revolutionary action lies in attempting to perpetuate industrial autocracy. Our captains of industry and leaders in finance must realize for the advantage of our social and economic progress itself, that men will not consent to be politically free and industrially without freedom. The wise and successful leader in industry and finance will follow the advice of Mr. Edward A. Filene in his address to the Boston Economic Club when he stated that the only successful procedure for industry to adopt in the future is to have the least autocracy practically necessary, and the greatest democracy possible."[39]

Ability to handle human beings intelligently.-- A major part of the duty of industrial leaders of the new order consists of arousing the latent loyalty in the group of employees. Loyalty may be defined as "a faithful relation to some person or some idea. In industry,

it is a sentimental adherence to the policy of the concern or to the industrial system; it manifests itself by good-will."[40] The leader who calls for the loyalty of his fellow-workers, for such he considers his employees, must be worthy of respect himself. No insincere display of sham sympathy will win the unfailing support of his workers. He must not only be sincere in his willingness to recognize the rights of these individuals, but he must be competent to interpret their legitimate desires. In order to accomplish this, he must put himself in a position to know intimately the human elements with which he is dealing. "The leader must have the instinct to trace every evil to its cause, but equally valuable, he must be able to see the relative value of the cause to each one of his group."[41] Various devices have been resorted to in an attempt to secure the good-will and loyalty of the industrial worker. It would require many dissertations to cover "the methods whereby it has been sought to eliminate Fear and to substitute Faith between the parties to Industry...For the most part, they find a place in one of the following categories:--methods of industrial peace; methods of vocational training and industrial and technical education; methods of industrial remuneration; methods of industrial organiza-

tion and management; methods of meeting industrial risks; methods of industrial betterment; and methods of industrial government."[42] Such is the classification which King suggests. Back of all these devices, however, must be an insight into human nature which guides the well-meaning employer in his desire to meet the responsibility inherent in his position. No matter how necessary and clever a specific arrangement for industrial improvement may be, its successful operation depends on the employer's understanding of the basic human cravings which motivate his employees.

Indications of the new type of industrial leader.-- In order that these statements regarding the new leadership may not appear impractical and merely theoretical, indication of their acceptance by alert employers in increasing numbers should be presented. It would be impossible to list the total number without taking space which belongs to other considerations. Abundant evidence, however, is available in the books and periodicals dealing with industrial relations. Several striking books have been written by some of these new leaders themselves, -- as, for example, Lewisohn's, "New Leadership in Industry",

Myers' "Representative Government", Rockefeller's "Personal Relations in Industry" and many other to which reference is made in this paper. A goodly number of books have made their appearance in the form of a symposium, such as Commons' "Industrial Government", and Davis' "The Church and Business", -- the latter, the title notwithstanding, a collection of testimonies on industrial democracy from representative employers and labor leaders. Colvin introduces a chapter of his book on "Labor Turnover" by reference to the speeches of a conference of the United States Chamber of Commerce, as "an indication that there is a new conception of business and one which must add new phases to the problems of work management."[43] The persistence of this new ideal was vividly illustrated at the War Emergency and Reconstruction Conference at Atlantic City in 1918. The Conference "rose to its feet and unanimously adopted (substantially) the ten articles of Mr. Rockefeller's creed."[44] This does not mean, of course, that "the industrial millennium is in sight. But it betokens a change in philosophy, a change in attitude. It means that so far as the leaders of industry are concerned, the old Bourbonism is dead, or soon will be."[45]

It has been forced to commit suicide, as it were, by the pressure of its glaring failures and the insistence of the new leadership.

Assuming, then, that there is unmistakable evidence of industrial democracy, dependent for its successful growth on responsible leadership, we are ready to consider the normal human dispositions which manifest themselves in the lives of the workers and which are of the utmost significance to the employer who is "elevated from the miserable position of a petty autocrat into a real leader of men."[46]

CHAPTER III

THE PERSONALITY OF THE INDUSTRIAL WORKER

Meaning of Personality

Various conceptions of personality.-- The student of social science is interested in the effectiveness of the individual as a member of a human co-operative group. This effectiveness depends on his being more than a machine; it depends on his having human qualities. There are three possible conceptions of this human being: we may consider him as an intelligent being, as a moral being, and as a juristic being. His intelligence depends on his capacity for distinguishing from the self and the environment. This may be called the psychological interpretation of personality. The moral conception requires that he be so trained through social pressure that his judgments have regard for what his fellow-beings consider good; he must have the capacity for moral judgment. The jurisitc conception of personality depends on his having reached the age of discretion and being competent to enter into relations with others through which he attains rights and has imposed on him rights and duties. That is, he is capable of entering into contracts of agreements where one will necessarily

dominate. The contract between employer and employee is the example of such agreements which concerns us at present. And our special interest is the effects of this contract and its resulting conditions upon the personality of the worker. This leads us to a consideration of the relation between his instinctive cravings and his personality.

Relation of instincts to personality.-- Dr. F. A. Cleveland, in his lectures on citizenship, defines personality as "the psychic potentiality of the individual working in and through the individual's mechanism, both inherited and acquired." The good worker now is a responsible member of society, not a thing; as a functioning element of our social group, he is entitled to an opportunity to express those normal desires which are inherent in a human being. He appears to be a queer mixture of conflicting tendencies, when viewed superficially; but membership in the social order under the guidance of responsible leadership exercises a persistent control of these tendencies, restraining some and encouraging others. This study has chosen certain outstanding dispositions for special analysis in relation to the effect of industry upon them. The dedevelopment of personality suffers in proportion to the suppression by industry of these normal cravings. Society is

correspondingly impoverished by the loss from the individual's latent potentialities. It is important to preserve the socially serviceable instincts as a means of protecting the worker's personality.

It must be recognized that the vocational contract imposes inevitably certain limitations upon the worker's independence. This agreement between employer and employee is a mutual arrangement entered into whereby the right of a given individual, the employer, to dominate, is enforceable under the institutions of society. The individuals concerned, the employees, have the duty or obligation of being subservient to this necessary domination or leadership. The conditions of this contract are operative, however, only within the bounds directly specified in the agreement. Thus the modern industrial worker differs from the serf who can be dominated in all the aspects of his life. In all other relations, the employee is free and may himself dominate. This leads to avocational relations and freedoms which must be conserved outside the realms of industrial contract. The employer is thus limited in his domination over the employee.

Industrial leader's responsibility.-- Since, by virtue of the industrial contract, the employer is in the position

of leader, he is responsible for the development of the psychic potentialities of the workers under his guidance. He is in a position to stifle desirable human tendencies, to render socially incompetent the individuals who serve the "Iron Man." If he is careless or ignorant of his responsibility, he contributes to the problem of industrial unrest, and himself suffers from the results. Industrial leaders must recognize the need of being loyal to the demands of human nature, of giving due regard to the fundamental principles of social organization of which this human nature is so vital a part. Otherwise, he must depend on followership which clings to his leadership only because it shares his illegal gains. When this possibility of participation in irresponsible leadership vanishes, the employer has recourse only to fear as a means of control. This responsibility is today no small one with the large leaderships and numerous followerships of modern industry. The leader has the difficult task of reconciling the demands of industry with the rights of the human beings involved.

The Worker a Human Being

Status of the worker questioned.-- If we were asked to distinguish the modern industrial worker as he is regarded by the new type of employer-leader from the subject of the autocratic leader of the old regime, we might say that the most noticeable contrast is found in the fact that the employee today is regarded, theoretically at least, as a human being, instead of as a machine. As our employers in actual practice acknowledge the need of development of the personality of their employees, we shall see marked improvement in the spirit of industrial unrest. "The industrial evolution is characterized by a radical transformation in the attitude of management toward labor; for the worker, first regarded merely as an economic factor, came to be regarded as an individual, and, more recently, as a co-operator."[1] The social reformers of the earlier period tended to stress the need for material advancement for the workers; that, of course, is important. But equally necessary is the granting to workers of the status of human beings in good standing. Where adequate wages have been paid and working conditions have been satisfactory, the employees have shown decided unrest, simply because they were denied recognition.

Rockefeller cites the case of a man "who recently devoted some months to studying the industrial problem and who came into contact with thousands in various industries throughout the United States", and in the course of his extensive investigations, said "that it was obvious to him from the outset that the working men were seeking for something, which at first he thought to be higher wages." He later concluded that "not higher wages, but recognition as men was what they really sought...Who would not earnestly seek to gain recognition of his manhood and the right to be heard and treated as a human being, not as a machine?"[2]

The materialistic conception of labor.-- Labor is beginning to assert itself concerning its humanity and employers are gradually becoming aware of the importance of heeding this legitimate demand. However, industrial leaders, well-meaning as they may be, are handicapped in putting into practice their acknowledgment of the humanity of labor, because "even if we repudiate in our conscious thoughts the idea that Labour is a 'thing', passive and not active in its nature, that idea is still present in our half-consciousness, and dominates to a great extent the less alert part of our minds. In the midst of a sympathetic consideration of the 'aims and claims of Labour',

we find ourselves, instinctively and by force of habit, slipping back into the idea that Labour is something impersonal, or at most only half-personal...We no longer want in most cases to treat Labour as a commodity or a 'thing'; but we continue to do so because we know no better and have not flung off the myths of the Industrial Revolution."[3] In other words, the remnants of autocracy persist with all the force to be expected from traditional beliefs.

The trouble is rooted in the fact that we formerly, and to great extent today, have stressed the material ends which Industry seeks to satisfy, without realizing that "the flower of civilization lies in the perfection of manhood, not in vast increase of material wealth or material force. Industry exists for the sake of Humanity, not Humanity for the sake of Industry."[4] Our mistake has been in the insistence with which we have separated the laborer and his labor, thus ignoring the importance of the fundamental factor, the humanity of the laborer. We have regarded Industry as an end in itself, without regard for the human life involved in the industrial process. "Industry as an end in itself has regard only for material values. Industry as a means to an end is con-

cerned with human life....How unmistakable the difference between the material wealth which Industry creates, and the spiritual ends it is intended to serve!"[5]

Recognition of personality of the worker.-- If we accept the doctrine indicated above of the fundamental importance of the personality of the workers, how are we going to put into practice this theory to which we cling as a possible means of relieving the present industrial unrest? First, we must be sure that we have overcome the heritage of autocracy, with its neglect of the human factors inherent in the industrial world; then, we must know exactly what these factors mean and how they express themselves, or are denied expression, in the worker's life. While we can not at the present wax over-optimistic regarding the absolute adoption, even among the pioneers in the new leadership, of this ideal, we can be encouraged by the frequent signs of its coming success. Miss Follett considers it "the most hopeful sign in the present treatment of industrial questions" that we are recognizing "that man with his fundamental instincts and needs is the very centre and heart of the labor problem."[6] The democratic employers already referred to, and their experiments, to be commented upon later,

justify the conclusion that we have made a start in the taking over of this new ideal of the humanity of labor and the duty of responsible industrial leadership toward it.

Development of the Creative Instinct

Importance of the creative instinct.-- Just what do we mean when we say that the worker has a right to the development of his personality and that modern industry hampers him hopelessly in this right? Sociologists and psychologists, and, of course, industrial leaders, can not be expected to agree absolutely. Their disagreement in certain details, however, does not matter, as long as they work together in the recognition of the rights of personality. It may be safely assumed, from a perusal of representative scientists, that all would agree that life consists of "an exercise of functions;" and that therefore "man naturally craves the exercise of his organism, faculties, and powers. Joy is the consequence of a successful exercise of functions."[7] The worker's personality is given expression and chance for development, only as he is granted an opportunity to exercise these powers with regard to his environment. He is entitled to the right to develop his potentialities through

his contacts with the social groups to which he belongs. As a human being he has "certain 'inalienable rights' and it is industry's duty to recognize these rights....All men are equal, in the sense that they have much the same impulses and reactions as all other men."[8] What are some of these most prominent reactions, common to mankind, and deserving of attention in the development of the worker's personality and thus of his happiness?

Because we are concerned with the field of industry, we mention first the creative instinct, sometimes referred to as the instinct of workmanship, contrivance, or constructiveness. This, as we shall see, is closely associated with other tendencies, as the possessive and the parental instinct. "There is in most people a fairly well-defined impulse to engage their energies upon some project which will grow under their hand -- a delight in creation or at least in activity to which some use is imputed."[9] Not only is this disposition universally apparent, or, at least, potentially present, but it is of fundamental significance. "The creative ability of man springs from an even deeper source than mere intellect. It arises out of the depths of the human soul...The preservation and development of the creative instinct is essential to the support of life; and at the same time it is the final purpose of living."[10] Through

the opportunity for expression of this vital instinct, the individual knows a richer life than is otherwise possible. Dr. Hinkle, in her "The Re-creating of the Individual," writes, "The great problem of humanity as it has revealed itself to me, is the problem of the individual. How can an individual win for himself a greater fulfilment from life? How can he gain possession of those latent functions and attributes which he dimly senses are part of his heritage, but which, for the present, exist only as possibilities of the far distant future? He feels within himself the urge and the longing of creation."[11]

With those who are fortunate enough to be engaged in work which gives them great satisfaction in addition to an adequate money reward, there is no question about the importance of the daily task in its relation to the joy of living. For a twofold purpose we need to give due heed to this instinct: it has a definite bearing on the worker's attitude toward the social order in general and on his industrial group in particular; moreover, it relates directly to the efficiency of output in which society and the employers are so greatly interested. It is well-known that a happy individual makes a better worker than a disgruntled one. Wallas, in his chapter on "Organization of Happiness," develops this thought very completely. "The most obviously

and immediately important instance of the relation between the Great Society and human Happiness," he writes, "is to be found in the working day of men engaged in the mechanical and subdivided Great Industry."[12]

It goes without saying that if we had recognized long ago the social significance of the instinct of workmanship, we should not have suffered such heavy losses from the indifference of industrial leaders to this human factor. We have all too much evidence that "not only foremen and leaders of industry but all the rest of us have...made the job into such a highway across the slough of personal insignificance that its slightest unsatisfactoriness affects the use of every other road of our entire modern life. To attempt to detach it from the others is as ineffective as the reply of the inexperienced wife who, after due inspection of the rear right tire, reported: 'Why, John, it's quite flat on the bottom, but the rest of it's perfectly fine!'"[13] Modern industry is justly accused of stifling the creative impulse and of bringing the unfortunate results of this repression on the worker and on those dependent upon his output. We put the emphasis on the task which the worker is asked to perform, promising a certain return if the work is satisfactorily completed. We treat these wage-earners, as the name implies, as wage-earners, leaving out of consideration the

craftsman's skill and pride of workmanship. "Being paid off, it seems abundantly clear, is the only reason a sane man can have for working," according to Miss Marot, who has made an intensive study of "The Creative Impulse in Industry."[14] "After he is paid off the assumption is his pleasure will begin," she continues, in an explanation of her theory that "the economic organization of modern society, though built on the common people's productive energy, has discounted their creative potentiality."[15]

Thwarting of the creative impulse.-- The employer, thus confronted with his disregard of this important instinct, replies defiantly that the complex division of labor in modern industry has made this situation inevitable. The work must be broken up into tasks, given to specialists in these tasks, and compensated at a certain rate per task accomplished. How can the employer help it, the complaint comes, if the worker's instinct of workmanship is crushed? We shall find sufficient cause for this protest, but this can not justify the unwillingness on the part of industrial leaders to attempt all possible remedies. Many are now seeking ways of stimulating this potential capacity, not so much for the sake of the worker's happiness, as in the interest of increased efficiency. They realize that the human machine theory of labor is ba-

sically wrong. They have found, from sad experience, that "we cannot endow a machine with the creative ability that directs the efforts of the man. On the other hand, if the human worker is reduced to such a state of subordination and subservience that he is a mere automaton, he is apt to be even less efficient than a machine. For the machine is exactly designed for its purposes, and may be brought wholly within the control of its operator; while the human automaton, as long as a spark of intelligence or human feeling is left in him, may at any time break out of control. The energies of such a worker cannot be maintained, because the controlling motive has been destroyed...There is no place in modern industry for unintelligent labor."[16]

Much of this lack of satisfaction results from the worker's entire isolation from other related parts of the factory which he is serving. He has, to be sure, no sense of ownership in the product on which he is working, except in cases where the ideals of the new leadership in industry are effective; but, worse than that, he is denied the opportunity to see what part in the finished whole his separate task, stupid and unsatisfying, plays. Perhaps we argue that all he cares about is the wages, but we argue wrongly, because scientific study has revealed the fact that unsatisfied human cravings, especially the creative

impulse, are provocative of trouble even where working conditions and wages are adequate.[17] In this connection, the instinct of workmanship plainly overlaps the desire for recognition, known to every normal human being. Nowhere does the average individual get such an opportunity for recognition as in his daily task, the all-important part of his life; and bitterness results when he feels that in this never-ending work he encounters nothing but the stigma, socially established, of manual work.[18] In the unglorified routine of his daily life, he "loses sight of the significance of the part he plays in industry and feels himself to be merely one of many cogs in a wheel."[19] Our first reaction, then, to this particular phase of human nature, would be to establish the essential dignity of work well-done, and the dependence of all society on these workmen. The new leadership, as we shall see, is attempting to grant this social recognition to labor in its individual factories, in spite of the fact that society is slow to take over this attitude.

Another phase of the creative instinct relates to the monotony to which the worker is subjected. There is no need of elaboration of the statement that modern industry is deadly in the minute subdivision of labor inevitable in the factory system; the casual visitor to any factory is

impressed with it, but, no matter how sensitive and sympathetic he may be, he can not possibly imagine the effects upon the individual of this monotony after endless years with no variation, and no compensating features. For a long time, fatigue of the workers was charged to the physiological effects of the work. Recent studies lay equal stress on the fatigue which is more psychological, but none the less real for that reason. The lack of interest in the work causes a mental fatigue just as real in its effects on the workers as the fatigue due to overwork. Watts develops this thought as follows: "Usually we feel too tired not to cease effort, but to initiate it. In such a condition we may well imagine that the human engine still retains possibly a large part of its latent energy and efficiency, but that the will to set it going is defective.

"It would seem imperative that we should form a conception of the existence of fatigue in the higher levels of human life, as in the will, the interests, and in the creative aspirations, as well as in the muscles and in the nervous system, if we are to form a complete picture of our problem...

"The prevalence of neurasthenia among modern workers, for example, may not be due so much to a hypothetical wear and tear of the nervous system through the demands of indus-

trial life as to the strain caused by individual difficulties of securing a satisfactory mental attitude towards the work performed; the right perspectives are wanting; the machine can never be set fairly running except at too great expenditure of mental energy."[20]

Ill effects of suppression.--Some writers would belittle the ill effects of the routine work of the modern wage-earner. According to them, we overemphasize this factor and its results. Taussig, for example, writes: "Just how far the development of quasi-automatic machinery runs counter to this factor in well-being is not easy to say. Probably the charge often urged, that it takes all the interest and savor out of the day's work, is exaggerated; or at least, there is exaggeration in the assertion that the industrial system is in this regard radically worse than it was before the era of the machine. The handicraftsman's labor, like that of the tender of the machine, often involves repetition and monotony. Moreover, a vast amount of dreary heavy labor has been taken over by the machinery...There is truth also in the observation that monotony is by no means equally distasteful to all. Men vary in this regard, as in every other; and the simple repetition of identical movements is not necessarily a cause of weariness and abhorrence to those of inert mind and tranquil disposition."[21] This

latter assumption is not hard to understand, because we are well aware of individual differences of taste and capacity for growth. After years of habitual repetition of the same process, some workers would without doubt react very differently from their associates.

Workers of a certain type, that is, below the average mentality would have "become completely adapted to modern industry." We must include those "who find routine work a rest, who like tasks to be so monotonous that they can perform them asleep, and who resent efforts to educate them into alertness. Investigators who argue that factory work is not mentally depressing quote freely in illustration of their contention the experience of the latter type of worker."[22] Arthur Pound discusses this topic in connection with his "Iron Man and the Mind." He pictures industry as the Iron Man who is served by countless numbers of men. He appears to me convincing when he describes the Iron Man as the "consistent friend of the defective." He believes that "just as deafness is an advantage in certain industrial occupations, -- our shops employ many mutes with satisfaction both ways, -- so mental lacks may become assets for certain industrial purposes. Given enough sense to master simple routine occupations, and enough appreciation of duty or fear of relatives to come to the shop regularly,

the below-average person can soon be adjusted industrially... The less mind one has, the less it resents that invasion of personality which is inseparable from large-scale and mechanized enterprises."[23]

Due regard, however, should be felt for the worker who adjusts himself to the routine of modern industry, not because mental defect enables him to do so, but either because he is of insufficient initiative to protest, or because he sinks to a level of lazy indifference after prolonged exposure to monotonous work. According to some writers, there are "quite a few worthy and contented citizens who serve an 'iron man' daily and efficiently with much satisfaction to themselves, who could only be induced with difficulty to accept a more onerous and better-paid task requiring less constant application...The fact is that there are a great number of the older workers on naturally lower mental levels who have already manifested their limitations by the deliberate choices they have made and adhered to. They take readily to simple repetitive tasks and are quite contented with them."[24] But the social scientist can not regard calmly this possibility, even if it were a general one, of increasing the numbers of members of society who are lacking in ambition and initiative. They may appear to be comfortable, easy-going workers, unwilling to make

trouble, taking what is their lot with stolid attitude. But this is not a wholesome condition, either from the individual's standpoint or from that of the social order.

Industrial leader's opportunity to help.--It is the duty of responsible industrial leadership to consider frankly the injury to personality which comes from disregard of the creative impulse. "Certainly we cannot remain happy with the present position, because there is a growing number of people who actually like unvaried monotony and fear every suggestion of change; and the psychologist who specializes in abnormal mental phenomena tells us quite plainly that such a condition of mind is not healthy."[25] The question is justly raised, "Can we as a nation face with equanimity the steady increase in the number of workers whose mental outlook is so narrow that they are content to be riveted for life to a single unvarying task?"[26] Intelligence, as an indispensable factor in progress, can not be overlooked. If excessive adaptability to routine tasks becomes too universal, we must pay the price of reduced opportunity for the development of intelligence. The worker must have means for the exercise of this faculty, if it is to contribute to individual and social growth.

Scientists have been interested in attempting to

analyze the exact effect on the mind of the worker and his power of adaptability resulting from constant automatic movements involving a minimum of intelligence, possibly no thought on his part. Commons cites the case of the worker who told how he kept himself "from going crazy." According to this man's story, "when he went to work in the morning he would start up a line of imagination, picturing himself perhaps as a prince, going through a day of romance, adventure, combat, heroism, love; or a line of reminiscence going over the events of his childhood or of the night before. He kept his mind away from his work."[27] Whiting Williams discounts materially the irksomeness of the nonotony by similar reference to the relief offered by day-dreaming. "The truth appears to be," he writes, "that a huge number of both men and women find great pleasure in the chance which the unchanging job gives to day-dreams -- to be 'a Cinderella mornings and a princess afternoons.'"[28] Confirming this from his own experience, he continues, "In the oil refinery the regular duties made me place more than 3,000 empty barrels daily upon the scales, note the weight of each, stencil this figure upon the barrel's head, and with a final twist of the wrist, send it skidding down the run-

way to the filling-room. An observer would certainly have assumed that the close of the shift would find the worker weary from the mental attention required by so complicated a process. As a matter of fact, the task was more than a little pleasurable: it was pleasing to watch, as it were, my hands doing the job while my head was playing a game of tag -- musing its way through a sort of 'staccato revery':

'This barrel feels heavier than most. (Business of holding it quiet upon the scales between knees with the help of hands which also held brush and stencil.) I mustn't forget to stop in at the 'Y' to-night and try to run across that interesting sailor. Forty-three pounds. It is heavier! (Twirling of stencil to permit painting on a '4' and then a '3'.) And if he's there, maybe he'll tell a fellow how... (Barrel responds to complicated and enjoyable twist of hands, and starts down just as another comes along for a repetition of the whole manual and mental process -- a process which brings the quitting whistle with gratifying speed!)'"[29]

Williams, however, recognizes the other possibility in day-dreaming during the working hours. "Among the whole crowd the mental freedom thus permitted by even the most intricate of manipulations, gave, to be sure,

large chance to dwell upon and magnify troubles: once started, such unhappy reveries, hour after hour were hard to stop."[30] Mayo quotes the case of a young woman whose "nine years of meditation or revery during working-time upon her excessive responsibilities have apparently made it difficult for her to face with equanimity the ordinary incidents of living."[31] This psychiatrist insists that these are not "isolated or specially selected instances. It is difficult in many machine shops to find individuals to whom this particular description does not apply. A male operative, for a quite different type of machine work, revealed the fact that since 1918, while bending over his machine, he has thought about little but various incidents of the war...These things have increasingly occupied his working reveries to the point that he wants another war in order that he may fulfil his duties for savage revenge. Another worker whose meditations were almost similar admitted that he thinks more about the war now than he did when he came back. For this general condition of things our methods of organizing industry cannot escape responsibility."[32] Small wonder that we are beginning to find

cause for the application of mental hygiene in industry!

We cannot, of course, go too far with this theory, until we have further justification from science. At the present time, there is no agreement, except on the principle that excessive monotony exercises a dulling effect on the normal individual. Lewisohn, for example, takes issue with Mayo's statement, although both are interested in the ideals of the new leadership in industry. The former thinks that the maladjustments resulting from intolerable routine "would seem to be due rather to the repressions of our civilized life and to a lack in the individual of that perfect balance which only a fortunate few attain. How far they are accentuated by monotonous work is a matter open to further scientific investigation."[33] Whether the mental hygiene cases are greatly increased or not, the personal unrest and efficiency are undeniably affected by too severe monotony, and we are therefore faced with the need of rendering what relief we can to this situation.

Worker's attempts at relief.-- The more alert workers are groping blindly themselves for this relief. Some give up after a futile search, but others become permanent members of that industrial group which contributes annually to the labor-turnover. "Every factory town has its

disappointed rainbow-chasers, who never stay put, and who never learn that the Iron Man is about the same everywhere. Many, however, drift back to the farm and other less mechanized occupations...Labor-turnover is heavy; that is, where this labor-strain shows in the shop moods. The workman and his boss may adjust, in one way or another, disputes on wages and shop conditions; but of necessity they have difficulty in treating this intangible, indefinite, not always recognized or recognizable work-neurosis arising from the cleavage between old and new, between the innovation -- the Iron Man -- and that ancient inheritance of the human -- the mind. So one man goes, and another, and another; their several departments, listed together, become evidence of so many loss-items to the shop."[34] There are, of course, various causes for labor-turnover, but among them all, none is quite so basic in its significance as the influence of the unsatisfied instinct of workmanship with its desire for opportunity of expression. As Wera puts it, "The chief reason for a considerable turnover is consequently not a misfit to the job, but the unrest caused by fundamental lack of harmony which actually exists between working and living conditions and the aspirations of workpeople. Nevertheless, the ques-

tion of selection deserves careful attention."[35]

In the past employers were inclined to overlook the human elements involved in this irritating problem of labor turnover and to put entire emphasis on the mechanical devices for keeping the laborer in his place. Now, the tendency is to take into consideration the lessons to be gained from the human nature aspect of this problem.[36] An increasing number of industrial experts would introduce the concept of the "defence-mechanism", which has been evolved by the human being as a "protection against the greater evil which it half-consciously fears, the loss of virility, that passing of the joie de vivre, which would result from too complete an acceptance of the present system." It is assumed that "such antidotes will usually take one of two forms either active or passive."[37] Labor turnover may be regarded, in part, as an indication of active resistance to the displeasure encountered at the wage-earner's task. It is, as it were, a solution, wasteful and unsatisfactory, suggested to the workers by themselves as a means of escape from the unbearable routine of modern industry. While we may not overlook the other factors responsible for this waste,[38] we shall gain considerable headway if we admit that, to a certain extent,

"the monotony of work and its failure to enlist the creative impulses, as a result of which workmen are moved by newspaper advertisements and rumours to try to better themselves elsewhere,"[39] should be given due attention by the responsible employer.

The new leadership is attempting to face this problem squarely and promises more happy results than the blind restlessness of the workers themselves. The employers are in a position, if they adopt the right attitude, to discover the relation between the instinct of workmanship and industrial unrest, and to institute means of relieving the situation. The great difficulty met by employers is the discovery of incentives which will "set in full operation the normal energies of the workers".[40] The search continues, sometimes in a discouraging manner, for the magic formula which will release the potential capacities which lie latent at the present time. Intelligent leadership no longer puts sole emphasis on the pay envelope and working conditions, although they are indispensable factors. He knows that other factors must be found, because of the failure of these to summon all the possibilities of the creative impulse. This failure is responsible for the recent dis-

cussion of "non-financial incentives." This policy has been attempted by many, of whom Robert Wolf is a typical example. He believes that interest in work forms the foundation of the new program directed toward stimulating the creative instinct. In order that this interest may be aroused, it is necessary to give the workers a chance to think and plan. They must be regarded as responsible human beings, to whom is due the respect any intelligent worker expects. He believes that contributions from the workers should be encouraged, and accurate record kept of the workers' progress. To practical critics he replies that his ideal has been tested satisfactorily in actual experiments.[41] Mr. Wolf testifies that "by giving the men the opportunity to exercise their minds in the right direction and aiding them in every possible way a great increase in efficiency is secured. His experience has been that it is better to utilize the men's brains in this respect than to have them exercise them in finding ways of beating the boss."[42]

Incentives, financial and non-financial, we must have; otherwise, the worker fails to respond to the demands of his employer. "The real interest of the parties

to Industry lies in the incentive being adequate to call forth the best that is in the worker in energy and skill; in other words, the utmost of his will and capacity. If the best is to be expected of a man, he must be given the fullest opportunity to make the best of himself."[43] This means that we can not agree completely with Taussig and other writers who insist that "it is pay that is chiefly looked to, with hardly a thought of interest in the product; employment and the maintenance of the job, not achievement and the interest of the job."[44] Both workers and employers, it is true, have, without realizing the importance of other factors, given special emphasis to the money reward, and they are doubtless right to a certain extent. Adequate financial return must be granted, to be sure, but the "psychic income" from the daily task is to be reckoned with, whether employers and workers realize this, or not. Dr. Cabot has this in mind when he discusses the attributes of an ideal job. This must provide, he says, in addition to adequate income and satisfactory working conditions, such factors as the following: enough difficulty to call out the worker's best efforts, that is, it must be worth while; variety; a boss; a chance to achieve, to get ahead; title and place which affords recognition to the worker; connection with

some cause or institution worthy of loyal service; honorable and pleasant relations with the worker's associates.[45]

The economic world must be a great deal nearer Utopia in order to approximate such an ideal situation for all its workers. But the employers, devoted to the purpose of developing the creative instinct, are doing their best to remedy the present defects. In a later discussion of outstanding experiments we shall have opportunity to see how Tead's suggestions are being acted upon in this connection. He believes that possibly "two possible modifications of industrial practice would offer outlet and scope for this instinct: 1. The possibility of acquainting workers fully with the place in the scheme of things which the product which they help to create occupies; 2. the assumption by the workers of greater control over the conduct of industry."[46] Remarkable results can be accomplished by leaders who are capable of stimulating men to action, who, through personal influence aided by psychologically sound practices in their establishment, can "develop the love of the game to the highest enthusiastic pitch."[47] Employers who took over the program of scientific management and were disappointed in the results failed to see that this scheme was founded on the wrong

attitude toward the human factors in industry. Scientific Management did not understand the force of the creative impulse. It mistook short-lived reaction to a financial stimulus for the more permanent results of initiative and permanent enthusiasm for the work. Miss Marot insists that scientific managers "will not discover what a worker's productivity is, or might be, when incited by his impulse to work, nor will they secure labor's initiative, until they release the factors, latent in industry, which have inspirational, creative force."[48] Scientific management, moreover, made another mistake due to lack of regard or of understanding of human nature. In its emphasis on piece work, it overlooked the fact that "not all individuals are so mentally constituted as to be able to do their best work under piecework conditions. Piecework produces in some workers, who are of slower mental reaction and more highly unstable emotionally than others, a nervous tension and anxiety which impairs their efficiency considerably. Any gang of workers who could, for example, kindle among themselves the unity, interest, and enthusiasm of a private theatrical party or amateur football club, could easily create records beside which the Taylor and Gilbert achievements would look shrunken and anaemic indeed."[49] We can

not look to any one device like "scientific management" for the solution of our problem; what we need is, to be sure, scientific management in the sense of leadership, but that need is not readily supplied. All employers recognize the truth of Common's remark that "it would be foolish to suggest any one panacea for uninteresting work. How to make work interesting is just as much a field of investigation and experiment as how to invent a machine or lay out a plant. And business men, managers, and educators, can be just as successful in doing it. It is the big field of industrial psychology, which for the twentieth century opens up like the nineteenth for chemistry and physics."[50] In at least one respect, however, employers can find, if they are so disposed, general agreement in the face of a very real and menacing factor. This relates to the connection between fear in the lives of the workers and their efficiency and attitude toward society.

Fear and the creative impulse.-- Economists and employers must turn here to the social psychologists or the sociologists for an appreciation of the force of this human element. Experts in the study of human nature are

compelled to recognize the force of this instinct, or emotion, as McDougall would call it. No human being escapes the distressing effects of fear in some aspect of life, but it is our particular interest to develop its application to industry. King gives a long list of fears which the modern worker may expect to encounter. Among them he mentions the following: "There is legitimate fear where age is confronted with the alternative of poverty or dependence...There is legitimate fear where a woman is suddenly left without support for her children...Finally, there is legitimate fear where the privation consequent upon unavoidable loss of work is aggravated by the necessity of extra outlays."[51] Capital, naturally, can not understand the part which fear plays in the dissatisfaction and inefficiency of the worker, because this dread is comparatively unknown to it. "Captial is a citizen of the world...It suffers little from fears of isolated position, substitution, dismissal, arbitraty and unjust treatment. Such risks as it runs are very largely its own. How vastly different is life to its possessor under such circumstances!"[52] Of course, no fear is quite so dreaded as fear of unem-

ployment. It is this fear which leads to soldiering on the job, in the effort to prolong the work as long as possible. "It is the fear of unemployment which lies at the root of most of the minor fears which Labor entertains. The fear of unemployment is in reality the fear on the part of Labor that capital will not be provided to carry on industry continuously, and under conditions which will afford adequate remuneration to effort."[53] It is plain to the most casual observer that fear exercises a destructive influence on his work and happiness, if he is aware of its presence. Some of these fears doubtless operate without the worker's knowledge of their existence, and surely without his understanding the effects of their power.[54]

Many employers, too, underestimate the force of fear. Surely all autocratic employers do, because they count on the permanent results of control by appeal to fear. They pay no heed to the sociologists' warning regarding the destructive tendency of fear. They do not realize that the worker, thus tormented, finds it impossible to concentrate on the work in hand and to give it his best workmanship. "Just as physical overstrain reacts on the mind, lessens control of the high intellec-

tual process and allows all the suppressed impulses, cravings, fears and worries of the past to sweep into consciousness and prevent that concentration of the attention necessary to efficient work, so also mental states react on the physique, lowering vitality, allowing the earlier approach of fatigue, lessening efficiency in many ways. There is much in the conditions of the modern industrial employment which is calculated to produce an atmosphere of unrest, to produce emotions of reactions which will lessen physical efficiency and check the rate of output....The workers of today see much to be feared in the application of science to industry, especially as practiced by the American pioneers -- the fear of unemployment, temporary no doubt, but terrible in its effects on the physique, the fear of overdriving or 'speeding up' with consequent ill-health and unhappiness; the fear that their trade union solidarity will be broken; and the justifiable fear that greater opportunities will be given to unscrupulous employers to use the name of science to advance their own hands and gain huge profits compared with an insignificant rise in wages."[55] So much, then, by way of suggestion of the scientific analysis of the effects of fear will lead us to take steps to eliminate, wherever possible the

causes. Taussig, in spite of his emphasis on economic considerations, cautions against the results of neglecting the element of fear in the lives of the workers. He believes that this element has the power to "smother the instinct of construction and the inherent satisfaction from work."[56]

The new leadership needs no coaxing from the sociologist on the importance of giving heed to this human factor. Automatically, he substitutes faith for fear, because he places his confidence in the good results of control by appeal to good-will. He knows that "it is impossible to estimate the waste to Industry from the paralyzing effect of fear upon Labor."[57] Neither is it possible to estimate the waste to industry from the less tangible effects, the subtle undercurrents of ill-will, unknown, but none the less poisonous. It can not be too strongly stressed that "Fear and Faith are as infallible in their effects upon Work as in their bearing upon Peace. They lie about the roots of both, sapping or nourishing vitality. Work is inseparable from life; it is life expressing itself in effort. In all its aspects, Work denotes effort, physical, mental or moral. Fear paralyzes effort; Faith sustains it."[58] It would be interesting to be able to estimate accurately the addition to material output, and more important, the addition to human happi-

ness, were it possible to substitute completely in all our industrial relations this ideal of the new leadership. The pity of our present waste from the failure to develop the instinct of workmanship appears the greater when we realize that, while some instincts need to be curbed, in the interest of the social welfare, we have, in this case, an instance where the human bent should be encouraged to the greatest extent. "And yet the modern organization of industry tends to smother it in a great and probably growing proportion of men, -- a most ominous aspect of our social and economic system."[59]

Beside these considerations of the instinct of workmanship, there should be placed the possibility of developing this human potentiality through more and better training for work. Surely no one derives great satisfaction from tasks for which there is no natural bent and no training. The effect of the application of this principle would be limited, of course, because there are so many factors involved in the industrial situation. But training would do its part toward helping employers and employees alike to realize on the latent powers of achievement of the workmen. "If the workman today is to be afforded opportunity to progress in his trade, and to be given an understanding of industrial processes sufficiently comprehensive to make the part played by his own work intelligible and enjoyable,

his training can no longer be left to chance, or even to the direction of those immediately superior to him. He must be afforded opportunity to acquire skill and an understanding of industrial processes, under instruction specially devised to meet the requirements of his particular occupation in its relation to the whole process of production."[60] It goes without saying that this narrowly technical training should be supplemented by general education, "which aims at increasing intelligence, and especially at developing powers of observation and self-expression."[61]

Relation of the play impulse to the balked creative impulse.-- The ill effects of the smothering of the instinct of workmanship can also be partially overcome by compensating features in the life of the workers when they are off duty. This assumes that sufficient leisure time will be granted them, together with the means of filling this time in a wholesome, satisfying manner. The play impulse, in other words, if given adequate opportunity for expression, can help supplement the lack of chance for development of the work impulse. While it is not my intention to elaborate the play impulse, because of the space claimed by other more outstanding tendencies, it should be noted that the present expression of this impulse does not contribute to the worker's happiness, as it should. "Play can and should

enter to give opportunity for more satisfactory adjustment, to give opportunity for instincts and interests otherwise ignored to be expressed and harmonized. This is the reason for its peculiar importance in a day when the industrial system offers to the great majority undue latitude to the instinct to submit and to follow the lead, but provides negligible scope for all the rest."[62] We can not criticise too sharply the forms which the worker's diversion in his free hours takes, because of the doubtful use of recreation by those who are more favorably situated. If the worker indulges some of the baser desires in his leisure hours, and is the worse for having this opportunity, possibly we can excuse some of this indulgence by placing beside it the nervous exhaustion resulting from his work and the dull, drab character of the majority of his hours.[63] "As a form of protest-behavious directed against the monotony of existence, as some find it, we might, of course, instance the habit of gambling, which is is so prevalent among those lacking in healthy interests...Another form of protest behaviour is seen in frequent drunkenness...Alcoholism today in all the countries in the same way frequently originates as a defense-mechanism against something which is intolerable, so that to remove the means of getting relief from anxiety without attacking that which causes it is neither sound psychology nor wise statesmanship."[64]

Those who hope to find in the exercise of the play impulse a means of developing the intelligence which is lacking in the exercise of the instinct of workmanship, are doomed to disappointment. It is evident from a survey of the favorite diversions of the typical industrial centre, that the worker seeks those forms of recreation which demand the minimum of effort on his part. "In illustration we might draw attention to the comparative docility of the football crowd and the cinema audience...The significant aspect of all these pastimes is that ninety per cent. of the able-bodied persons who look on at the athletes, or read about their prowess, take part in no active games or recreations themselves...To the routine worker who has no occasion or ability for heavy mental work, whose days are spent in repetition labour involving neither responsibility nor judgment to any marked extent, 'the pictures' provide not only a sedative, but also a certain amount of spiritual nourishment in a form sufficiently strong for him to digest satisfactorily.[65] Surely, we can hope for no contribution to the intelligence of the worker from the play impulse, as he seeks to satisfy it today, unless, perchance, we provide means which will bring this result. That would involve, however, educating the worker to an appreciation of this use of leisure.

Some optimists would have us believe that we can satisfy at the one time both the play impulse and the work impulse, in the worker's daily task. Those who enjoy their professional pursuits have the means in the nature of their work of achieving this very desirable end. But, with industry organized as it is today, this appears impossible for the majority of workers. It will do no harm for our new leadership to keep this in mind. If responsible employers realize the importance of the worker's having some joy in his task, we stand a greater chance of bringing an approximation of this about. Watts insists that "the united functioning in a single occupation of the work and play impulses should be the objective of every industrial reformer, and whatever facilitates its achievement must be supported and whatever hinders it removed."[66] We shall have accomplished a great deal if we find facilities for bringing about in the workers the frame of mind which they adopt when they are "enjoying themselves," or, at least, are contented and pleasantly occupied.

Shrewd observers find that work and play, inasmuch as we are concerned with these two impulses as such, should not be engineered by the employer. Workers want a sense of freedom when they are enjoying their leisure

hours, and thus appear ungrateful in the face of employers who seek to provide, on the factory grounds, elaborate provisions for recreation.[67] Play more naturally seeks its instinctive expression in the worker's own lodge, or church, or community, or some organization quite removed from possibility of interference, as the workers frankly regard it, on the part of the employers. This is, to be sure, a phase of the instinct of self-assertion, and should be tolerantly considered by understanding employers.

We have given considerable space to the instinct of workmanship, more than can be granted other behavior tendencies. But the importance of this phase of human nature and its special bearing on industrial relations warrant this emphasis. As a matter of fact, we can not separate, as we have seen, this instinct from other aspects of the worker's conduct. Indeed, the general social environment of the workers makes clear the point that some of the suppression of this tendency is due, not to the industrial situation alone, but to the "general lack of interest in life", to be expected by one familiar with the whole living arrangements of the workers, especially of the less fortunate groups. St. Philip's Settlement in London realized this when, a few years ago, it made its extensive survey of living conditions of the workers in Sheffield County. The results of

the study were compiled in the form of a book called "The Equipment of the Workers", referring thus to the spiritual, rather than the material, equipment. The conclusion rightly drawn was that the majority of the workers were only half-awake.[68] The worker's environment abounds in "devitalizing influences" which co-operate with the Iron Man of Industry in keeping in abeyance the instinct of workmanship. "It atrophies where the whole being is occupied with the task of keeping going physically on a too narrow margin of vitality",[69] thus demonstrating the effects of a vicious circle.

Instinct of Possession

Importance of the acquisitive instinct.-- Closely associated with the instinct discussed above is the instinct of possession or of ownership. "The essential tendency connoted by these various terms is the desire to identify property whether in things, people, or ideas, with one's self; or the desire involving less immediate personal possession which derives satisfaction from ultimate control."[70] The universal extent of this instinct is so well-known that it calls for no special evidence as proof of its existence and its compelling power. It appears early in life and

persists as long as the individual is motivated by the desire to progress. This disposition is particularly troublesome in industrial relations, and no small part of the employer's difficulty in settling the problem of industrial unrest originates in this desire for possession. Modern industry is so organized that it deprives the worker of even a sense of ownership that was possible before the effects of the Industrial Revolution were felt.

It is better understood if it is regarded, as Professor Groves suggests, as a derivative of the instinct of self-assertion or self-display. The individual extends his personality by ownership and control of the things he acquires. This form of self-assertion has become one of the troublesome reactions in modern society. The desire of one individual to possess and control brings him in conflict with the desire of others. Society seems to be seeking a means of decreasing acquisitiveness without loss of personal initiative, which in times past has largely issued forth from acquisitive cravings. Acquisitiveness easily passes over into power cravings and a still stronger form of self-assertion results."[71]

Society's emphasis on possessions.-- Much of the difficulty from this instinct and its related desires comes from the false standards of worth which society has adopted and which give undue emphasis to material possessions. We have

established what Veblen calls "pecuniary standards" of measuring achievement, and we hold up for emulation, consciously or unconsciously, those who are examples of "conspicuous consumption" and of "conspicuous leisure". "So soon as the possession of property becomes the basis of popular esteem,...it becomes also requisite to that complacency which we call self-respect...The tendency in any case is constantly to make the present pecuniary standard the point of departure for a fresh increase of wealth; and this in turn gives rise to a new standard of sufficiency and a new pecuniary class. In the nature of the case then, industry and wealth can scarcely be satiated in any individual moods, and a satiation of the average general desire for wealth is out of the question."[72] The Father of Political Economy, in spite of his emphasis of the "economic man", was compelled to note this tendency. "To what purpose is all the toil and bustle of this world?" he asked. "What is the end of avarice and ambition, of the pursuit of wealth, of power, of pre-eminence? Is it to supply the necessities of nature? The wages of the meanest laborer can supply them...If we examine his economy with rigor, we shall find that he spends a great part of them upon conveniences, which may be regarded as superfluities, and that, upon extraordinary occasions he can give something even to vanity and distinction." Adam Smith, realized, as modern socio-economists

are now forced to in their dealings with human nature, that "It is the vanity, not the ease, or the pleasure, which interests us...And thus, place, that great object which divides the wives of aldermen, is the end of half the labors of human life;...People of sense, it is said, indeed despise place;...But rank, distinction, pre-eminence, no man despises, unless he is either raised very much above, or sunk very much below, the ordinary standard of human nature."[73]

Worker's dissatisfaction.-- It is, then, only natural that in the worker of ordinary ambition we should find tremendous dissatisfaction in the face of the abundant evidences afforded him of this pecuniary standard. "The mere sight every day of the great industrial plant, the enormous factory buildings costing millions of dollars, the expensive machinery, the automobiles, land, houses and equipment owned by the Company is a forceful, constant reminder to the workingman of the relative wealth of those for whose further profit he toils. The reason that so many workers 'watch the clock' and fairly stampede out of the factory when the whistle blows is not far to seek. Among employees of weaker moral standards the relative wealth of the Company also forms the basis of the excuses which they offer to themselves and to each other for petty thefts

of materials, tools, etc., from the Company...This relativity of wealth which is hourly so visible to the employee strikes deep into his mind and accounts for much of his psychology of indifference, lack of interest and loafing on the job."[74] On all sides, this difference in possession confronts him, as he walks along the street on his way to and from work, as he seeks recreation at the moving-picture house, as he looks in the store-windows, as he reads his daily newspaper; nowhere is this inevitable comparison with his own lack of possession entirely removed from his mind.[75] Commercial interests are quick to exploit the desire for possession and through various means of advertising suggest to the individual possessions which he must have if he is to be "as good as anyone else." And the pity of it is that so often these possessions are craved because they will "win favourable attention, whether they are of any other value or not."[76]

Employers and employees, alike, are often not aware of the insidious influence resulting from this constant emphasis on the uneven distribution of wealth. "Mr. William Adamsom, chairman of the Parliamentary Labour Party, told the business men of Glasgow that one of the principal causes contributing to industrial unrest was the co-existence in the community of those with unlimited wealth and those in abject

misery," writes Watts, in this connection.[77] He quotes this statement in confirmation of the "point that labour is not always completely aware of the psychology of its own mental condition. There have always been rich and poor, but poverty is not unbearable, even when compulsory, unless the poor are brutally reminded of their inferiority so that resentment is positively aroused. It is not so much the want of wealth as the contemptuous assumption of some that there must be poor."[78] This discontent arising from lack of possessions on the part of the wage-earner could not, then, be so serious, were it not for the false standard of measuring importance in modern society. We shall have trouble as long as the emphasis is put on possessions as a means to an end, that end representing recognition socially. It must be admitted, that in many circles, "at the present moment at least, the dollar furnishes the yardstick by which the great body of our fellow-citizens habitually endeavors to determine the exact degree of any member's accomplishment. That hazardous application is so beautifully simple; so patently is the possessor of one million dollars demonstrated by it to be just ten times as much of a man as the possessor of only one hundred thousand dollars!"[79] Where, then, in the social scale shall we place the worker of no means at all?

There is, of course, another side to this problem of emulation. We are condemning in the above reference what is commonly known as "unsocial emulation." Where the striving for more possessions, in the desire to use them for raising the individual's standard of living, is not excessive, it has a wholesome effect on the worker's activities. This is better appreciated where the instinct of possession is not in evidence, where, instead, there is an apathetic content with one's present status. Whiting Williams cites, as an example, certain coal towns of little contact with wealth, marked by low standard living, and thus undisturbed by lack of opportunity to increase the worker's material possessions. "Where money does not buy social standing, man does not bother to earn more than a mere bread-and-butter minimum of it. Thus in certain coal towns where work is regular, the thriftlessness and loafing of the miners appears to justify their employers' theory that they 'have no sense of decency, no self-respect'. As a matter of fact, it is all simple -- and human." A similar case refers to a group of girls in a mill town who were not at all attracted by the chance to earn more money by working more than four days a week. Executives decided that "this earning power represented what could be called the town's 'social saturation point' -- that this sum met its maximum financial requirements in the way of half-silk hose and

plenty of crepe-de-chene waists." Their conclusion was, "It looks as though we shall never get more than our present four days unless somebody will set the pace by means, perhaps, of full-silk hose and georgette waists!"[80]

Employers' recognition of acquisitive tendency.-- It appears from the above illustrations that employers imbued with humanitarian ideals must learn to recognize the symptoms of the instinct of possession and invent means of capitalizing the desirable aspects of its satisfaction. The first step would include provision for a wage which would ensure the employees those possessions indispensable to self-respect. This means that the employer realizes how often the acquisitive instinct is motivated by a socially important fellow-instinct, known as the parental instinct. The worthwhile citizen is steadied and contributes, therefore, more regularly and satisfactorily to the economic output, by the demands of this instinct. This human impulse can not be given detailed consideration here, but plays its part nevertheless in the worker's life, usually, as seen above, in connection with other related impulses. The wandering workers composing the membership of the I. W. W. show how harmful the results on the individual and on society are when no opportunity is given for home life and responsibilities. Pride of possession is lacking, and the

worker suffers seriously. Irritating as the seeking on the part of the employee for more possessions may prove, it is, if kept within bounds, a more healthy symptom than a sluggish content with things as they are.

From his own personal standpoint, the employer has a vital interest in the satisfaction of this instinct. He should be more sympathetic than he often is, because he demonstrates in his own restless activities the pressure of a merciless desire to acquire more and more. Protected by his wealth and his means of adding thereto, he has the greater responsibility toward those under his control. If he sees his social duty, he benefits directly himself. The new leadership realizes that much bitterness on the part of the employees results from the envious comparison of the employer's possessions with their own. Human nature is perverse enough in those of undisciplined character to derive particular satisfaction from the destruction of these possessions. It is true that "the more the instinct of ownership can be satisfied within reasonable bounds, the less we shall see such widespread disregard for public property as was common during the war, and the less will the pathological form of the instinct prevail, as, for example, at one extreme in the positive shape of miserliness, or at the other extreme in the negative shape of sabotage and violent destructiveness of property. It is at times when one feels

insecure in one's attachments to life and when there is nothing of one's 'own' to cling to for support in emergency that these excesses tend most frequently to appear."[81]

Relation to output. -- No worker, denied all possibility of reasonable satisfaction of his acquisitive instinct, can put forth his best effort for the employer whom he holds responsible for his deprivation. If he has sufficient conscience, he may refrain from destruction of others' property, but he lacks heart to give his whole mind to what he is doing. It does not appear on the surface, to be sure, that these undercurrents of human nature are at work, but shrewd observers insist they must be reckoned with. "Envy and resentment are feelings which are quite incompatible with that smooth running of the industrial machine necessary for a high standard of output, but these are feelings which are daily being aroused under the present autocratic system of industrial organization. Envy is aroused by the ostentatious display of wealth and power, the luxury, the comforts, the magnificent educational opportunities."[82] Respect for his humanity, together with recognition of his legitimate desire to add honestly to his possessions will go far toward establishing the good-will of the worker toward his employer. The friendship which often exists between a person of extreme wealth and one of small means illustrates the fact that mere preponderance of wealth need not erect an impas-

sable barrier between employer and employee, unless there is cruel deprivation and oppression on one side.

The worker should be taught, in this connection, that what he calls "luck" is not responsible for the gains which he regards enviously.[83] He ought to respect the possessions which result from honest effort and make the most of his own ability. Revolutionary means to taking over the world's wealth should meet with his contempt, because of the dishonesty of acquisition of possessions inherent in this scheme. Doubtless he will have less temptation to indulge in such plans as he sees greater opportunity to increase his personal property in a legitimate way. Carver sees three evidences of determination on the part of labor to own: 1. the rapid growth of savings deposits; 2. investment by laborers in the shares of corporations; 3. growth of labor banks,[84] -- further mention of which will be included in a later chapter. It is important that labor should realize that if "laborers want to own the shops in which they work, there is an honest way. It is the way by which they may own the houses in which they live, their clothes, their household furniture, or anything else that they have not themselves made. That is, to buy and pay for them as other people do."[85]

Relation to workers' devotion to one machine.-- The modern employer can benefit from some aspects of the acquisitive instinct if he is wise enough to recognize them. For example, he will understand why workers show irritation and violent resentment if they are removed from the machines to which they have become devoted. They know that these machines do not belong to them, and that they can never hope to gain possession, but, nevertheless, they regard them as if they were their own. "It is the instinct of ownership which leads workers to identify themselves in an intimate manner with their tools, equipment, and machinery...The typist or the seamstress will work better on a machine which she uses habitually than upon a succession of others equally good. Moreover, we grow fond of what we use constantly and take greater care of it: thus we derive a double satisfaction from the emotions aroused in the functioning of both the instincts of ownership and tenderness."[86] While the employer can not foster the instinct of possession to the extent of making the workers actual owners of their machines, they can exercise care in removing workers from tools which they have come to regard in this manner. Thus, employers will avoid the loss from mistakes caused by disregard of the workers' feelings.[87]

Relation to war on scabs.-- An understanding of this powerful human impulse will also help the employer at a time of industrial warfare. It is practically impossible to ana-

lyze the workers' attitude toward the 'scabs' except in the light of their policy of regarding their jobs as their own possession, to be guarded with all the force which the occasion may require. No matter what the truth of the situation may be, the workers insist that the jobs are theirs, that they are leaving them only temporarily pending settlement of the dispute, and that interference on the part of outsiders is nothing short of theft. When we remember that their jobs are a vital part of their program of existence, we can understand why so much violence quickly creeps into strikes. The workers are, as in so many cases, motivated not alone by the force of the acquisitive instinct, but equally by the parental instinct, which can not be satisfied if opportunity for work is removed.[88] The employers have a common bond here with their employees, if they will admit it, because they, too, regard their business as their private property, or, rather, they have so regarded it in the past. The remaining autocratic leaders still insist that their business is their own, to be disposed of as they see fit.[89]

Need of socializing this tendency.-- Industrial harmony and social welfare demand that this instinct find only a normal expression on the part of both employers and employees. The modification of its power, through the experiments of the new leadership under discussion, is increasingly ap-

parent. The workers, of course, must somehow bring this instinct into line with reasonable expectations. This assumes that fear of want and unwarranted deprivation will be removed from the minds of the workers, because it is to be expected that until this is provided for, the impulse, in normal individuals, will bring greater unrest and destruction. "It can be confidently predicted that this instinct will not resume a more normal functioning until people can more nearly take for granted the self-preservation which it is calculated to assure."[90] But the workers must understand that they bring unlimited unhappiness to themselves if they waste strength aiming unsuccessfully at the possessions of those who represent "conspicuous consumption." All would be better, if we could eliminate these false standards of judging social achievement; those who have already discarded them are quick to agree that the sum total of happiness is greatly increased.[91] It is possible to teach, by example and otherwise, that the senseless reaching out for endless possessions, simply for the sake of saying that we have them, can not add to real happiness. Moreover, the workers will profit from training of the emotions, in home and in school, so that they will not be so easily moved by irritating contrasts. "Much restlessness arises from envy, lack of disposition to make the best of things until better appears, and failure to train the emotions toward cheerful-

ness. Mental hygiene in home and school is a prospective need for a rising generation destined so largely to associate with machines and co-operation in large-scale enterprises."[92] We shall gain if we can capitalize for the social good the wholesome aspects of the fundamental instinct for ownership. Disregard or unintelligent treatment of its symptoms will add to the present industrial unrest.

Instinct of Self-assertion

Significance of self-assertion to industrial leader.--When we insisted, in an earlier chapter, that the new leadership must have due respect for the personality of the worker, we took for granted the existence of a basic human impulse, known as the instinct of self-assertion, self-display, or desire for recognition. The submissive type of individual gives little evidence of this behavior tendency, but it is apparent in most people to a greater or less degree. We have already noted its relation to the instinct of possession. "The instinct of self-assertion is in its simplest form a craving for treatment that respects the self. People want in the first instance to have their self-respect unassaulted and unimpaired."[93] Since the autocratic leader is himself an exaggerated illustration of self-assertiveness, the worker naturally encounters rebuttal when he expresses even a reasonable degree of this impulse. The lead-

er who maintained his authority by appeal to fear reacted violently to any indication on the part of his subordinates that they were forgetting their place in society. Even the new leadership makes serious mistakes because it does not take into consideration the natural tendency of the worker to make himself heard. They, too, fear that, if given any encouragement, the employees will go too far. Subtle and persistently, the old-time opinion still prevails which believes that the laborer belongs to an inferior class and should be kept in his place.[94] The satisfactory worker, therefore, was one who did what he was told and raised no questions. The employer, thus, assumed the irritating role of the omnipotent ruler.

The desire to recover this lost status, and in this way win an opportunity for self-assertion, is responsible for no small share of industrial unrest. The new type of employer must understand that the worker "has lost his economic equilibrium and is frantically trying to regain it. Some of his artless assumptions, so ridiculous to the capitalistic class, so exasperating to the public, so troublesome to the police and the courts, are pathetic attempts to recapture his lost status."[95] We should hear more from this insistent instinct, were the worker not afraid of the results of expressing his views. It can not be destroyed because it is fundamentally a phase of self-preservation.

We are not today concerned with self-protection from physical harm, but the need for protection is nevertheless present. "We who live in modern society are not ordinarily engaged in the effort to protect ourselves physically... Usually, on the other hand, we are concerned with the preservation of our psychic interests. We protect our esteem, for example, with a degree of the emotional concern that primitive man felt for his physical safety. In this enlarged and transformed sense, self-preservation operates constantly and with great force in modern life."[96]

Need for social esteem for manual labor.-- The worker craves, as a result of the urge from the instinct of self-assertion, social recognition, and the first step is to be found in respect for manual labor. We preach that respect, but we are a long way from meaning what we say. The social classes are very sharply divided on the basis of work done, and the implied inferiority of the worker engaged in manual work is keenly appreciated by the alert individual. "So long as society withholds social esteem from a great multitude of workers, by a traditional disregard of the social significance of productive toil, an emotional tension, a self-assertive strain, is imposed that creates the conditions for restlessness, mobmindedness, and in its extreme expression, for revolution. So long as the working man feels that he is put into an inferior position, nothing that is done for

him in the way of wages or leisure or even management, unless it takes away this feeling of inferiority, will give him in any degree contentment. He will become rather more discontented as his leisure is increased, for the more he has, the more he will claim social esteem; and so he will naturally struggle increasingly for expressions of his power, and will always find the strike emotionally more satisfying than any compromising agreement, even though the latter may be to his advantage. He will, therefore, strike against his own interests; he will strike sometimes when he can without striking get the thing for which he strikes; he will strike for very trivial reasons, for the fundamental craving of his life is not wages, but social recognition."[97] How far from the root causes is the employer who deliberately disregards human nature when he seeks to avoid or to settle a strike! And his ignorance leads him further and further into trouble.

The opinion just quoted comes from a recognized authority on sociology. It is interesting to note how closely the comment of a representative of the new leadership resembles Professor Groves' statements. This business manager, in his book on the ideals of responsible industrial leadership, writes that "it is well to keep in mind that the friction between employers and employees has not arisen alone because of problems of wages and profits, but that to even a

larger extent it has arisen because of questions involving the status of the individual employee. One of the phenomena that is presented in industrial situations is an irritating sanctimoniousness and assumption of self-righteousness on the part of the old-fashioned employers."[98] The same conclusion regarding the acknowledgment of the reasonable expression of the tendency to self-assertion, or better, recognition, is drawn by an industrial expert who chose to test his personal opinions by actual work beside the masses of wage-earners. "It is completely impossible," he writes, "to get close to the heart of the labor problem unless we can understand and appreciate that truth which every worker not only knows and lives by; namely, that in the working world, every man earns his right to think well of himself as a person among other persons, and establishes his own and his family's standing and social rating in the community less by the earning power than by the nature and importance of his job."[99]

Workers' attempts at expression.--It is pathetic to note the attempts of some of the workers to supplement, in their hours away from work, the lack of opportunity to express themselves. To be sure, the autocratic regime has tended to obscure, if not entirely destroy, the evidences of this impulse. In many, however, the remnant, at least, remains, and is demonstrated in various ways in the indus-

trial community. "It is...a never-ending source of astonishment to note the often pitiful manifestations of a survival of the suppressed instinct as it has been sublimated by those who are denied freedom for its expression in the ordinary walks in life. A good illustration is to be found in the lodges, fraternal orders, denominational churches and other voluntary organizations which flourish in industrial towns. In their activities and multitudinous office holdings, the suppressed desire for authority and responsibility seems to find satisfaction. In their ritual and dignity the industrial workers make up somewhat for their dull-colored, unhonored existence in their daily work."[100]

Capitalizing this tendency.--It is unfortunate for society, as well as for the workers and their employers that "the instinct of self-assertiveness which is the necessary basis for carrying responsibility has been put to sleep by the prevailing industrial relations."[101] The thought naturally suggests itself that we might meet surprising success, were we to attempt to use this impulse in our industrial life, instead of suffering loss from suppressing it. "What if industry through representative government were to open up possibilities for the satisfaction of these cravings for office, for authority, for dignity and for responsibility? Would not industry also enjoy something of the kind of loyalty which a man gives to his lodge and receive benefit from

suffer the loss from the smothering of this instinct.

Gregarious Impulse

Gregariousness in industry.--We should expect to find the gregarious impulse prominently evident among the industrial workers, because of its very nature. "The individual is impelled to be with and of the herd. Any separation from the group means restlessness."[104] It is generally considered that desire for protection is the evolutionary purpose which the instinct served. Apart, the individual experienced a sense of danger; in the company of others, he was protected. It is interesting to note that the gregarious tendencies of the workers are in many cases, doubtless fundamentally in all cases, stimulated by the desire for protection from the domineering employer. This is an illustration of Giddings' "consciousness of kind" added to the desire for safety. The labor organizations furnish us with a vivid example of gregarious behavior, puzzling and irritating often. We shall have greater patience with this manifestation of the gregarious impulse, if we consider it as a normal human impulse, most naturally satisfied by association with one's fellow-workers. There are, to be sure, other expressions of this impulse on the part of the employees, but none of so much concern for the employer and the public.

The new leadership must include in its study of normal human cravings, this desire for association with others of related interests. The gregarious impulse "drives us toward associations and by the process of contact we discover and develop similarities that provide a basis for sympathy and consciousness of kind. No one can have any idea of the method of social control, who leaves out of account the significance of the gregarious cravings of men and women."[105] The employer who would deal wisely with his workers must take into consideration the existence and operation of the gregarious instinct, for, as Ellwood emphatically declares, "There is, certainly, no instinct which is more important for man's collective life than the gregarious impulse."[106]

Social importance of interest groups.--The various interests which draw groups together, whether groups of workers or other individuals, cause the social psychologists to discuss the importance of "interest groups." "In any large society individuals are necessarily exposed...to different stimuli, or unequally to the same stimuli. This fact, along with inevitable variation in the original nature of individuals, tends to cause large groups to break up into smaller groups, whose interests and habits are more harmonious. These subordinate social groups are usually called parties, factions or classes; but in social psychology, since interest is the subjective side of activity, they may be properly styled

'interest groups'...Through competition with other minor groups, each interest group achieves organization and a relative degree of solidarity in the way which we have already described. Such organization and solidarity of minor groups presents no peril to the larger group, of which they are a part, as long as the machinery of social control and of social adjustment remains efficient. They are a danger only when the interests which they represent are ignored or merely repressed by those who actually have the power of the machinery of social control in their hands. When thus merely repressed or denied, interest groups are apt to take on a revolutionary character, and to become serious disruptive agencies, which threaten the unity of the larger group."[107] Significant words for the responsible employer-leader, full of warning for the autocratic type, equally full of suggestion for the new leadership which seeks to make assets of these human tendencies! In the past, with our emphasis on control by force, we have deliberately invited anti-social behavior from the "interest groups" composed of employees.

If, in the future, intelligent employers handle rightly the gregarious cravings, as expressed in the various group activities of their workers, we shall see less demonstration of the pugnacious instinct in connection with these activities. We shall have an opportunity to test the truth of the sociologist's statement that "interest groups will

rarely carry their egoism to the point where they threaten the life of the whole group. They do this, as a rule, only when they have no adequate part in the control of the life of the whole group; for the loyalty of their members, under ordinary circumstances, is much greater to the whole group than to the respective parties, factions or classes to which they belong."[108] Whether responsible employers deliberately employ the aid of the sociologist's advice or not, all who succeed in bringing about loyalty to themselves as trusted leaders will put into practice devices calculated to make the "interest groups" of the workers feel that they play a legitimate part in the industrial order, provided they engage in socially desirable activities. The application of this principle will, in time, destroy the militaristic basis which we shall see dominates too many of these organizations at the present time.

Persistence of the gregarious impulse.--Whether we like it or not, the gregarious impulse can not be destroyed, and, with the growing self-assertiveness on the part of labor, it is likely to be more and more in evidence. Far-sighted employers realize that "today, the starving worker of old, who looked upon his master, as a protector, has disappeared. Isolated laborers have been united into organized social groups, hereafter called collectivities, conscious of their social power. Whether such a union is formal or tacit, consciously

or unconsciously a collective spirit is being created and organized, which embodies the collective aspirations of the group of labor. This collective spirit is a new force whose management demands special treatment...The collectivity does not replace the individual, it supplements him. It represents labor as a partner to industry, and, in such a capacity, it affirms its will to be heard on the question of how industry shall be conducted."[109] Instead of antagonizing the worker by attempting to frustrate his gregarious cravings, the new leadership capitalizes it to the general good. "There are evidences today in certain carefully managed plants that, whenever the desire to create and the desire to associate can be coupled with people's naturally eager search for the approval of their fellows, there is a strong and irresistible concentration of human sentiment which swings any program to which the people involved may set their hand."[110] Without further elaboration of the gregarious impulse, let us keep in mind its social significance when we encounter its expression and attempts to handle it wisely in a later connection.

The Pugnacious Instinct

The pugnacious instinct in industry.-- The last of the outstanding human instincts which I have chosen for special consideration because of their importance for the employer is

that known as the pugnacious instinct. It is customary to regard this tendency as having special reference to primitive behavior. We shall, however, come nearer a complete understanding of the industrial situation, if we take into consideration the existence today of a great deal of the fighting instinct. The observant employer will agree that "while reaching its maximum expression in the barbarian stage of culture, even in civilized man this instinct is still unnecessarily strong. The unregulated struggle of our industrial, political and social life still causes, all too frequently, obscure ferocities between man and man which break out into crime, while modern nations seem ready to fly at each other's throats at the least provocation."[111] Warfare, resulting from the anti-social expression of this instinct, is too costly in its destructive results, whether in the realm of industry or of government, to be tolerated. The strikes today are too numerous illustrations of the fighting instinct to be lightly regarded by the thoughtful student.

Causes of expression of pugnacity.--The direct causes of the expression of the pugnacious instinct in industry are well-known: inadequate wages, working conditions, interference with union leaders, disregard of the union, are examples of the causes commonly considered. They need not be further

developed here, as it is our special interest to point out less obvious factors inherent in human nature. Employers and employees do not ordinarily realize that the hidden forces are the more deadly in their influence. For instance, sociologists point out that many industrial disputes would not arise, were it not for the opportunity they offer for giving to the worker the social prominence usually denied him.[112] In other words, the expression of the pugnacious impulse gives to the worker the satisfaction which in itself is more important often than the ends obviously sought. The worker does not realize this; few employers have keen enough understanding of human nature to profit from this knowledge. The new leadership is beginning to see that much of the wasteful strife can be overcome by circumventing the desire of the workers for combat.

"Moral equivalents" of war.--The control and diversion of this troublesome propensity of human beings if one of the most difficult tasks facing the modern employer. It is in this connection that he demonstrates his skill in handling people, and his wisdom in avoiding mistakes which arouse the fighting spirit of his employees. "The question that presses for answer today...is this: Can the prompting to fight be satisfied otherwise than in combat where there is physical contact and a deep stirring of hate? The emotional release

which accompanies fighting is possibly one form of relaxation and purging. Is it a necessary form? Fighting taps unrealized sources of energy, and unifies, for the time at least, action and life. Can nothing else accomplish these ends?"[113] Social psychologists are becoming increasingly interested in what James called "the moral equivalents of war." If there be such equivalents and we can discover them, we shall benefit greatly from the reduction of the social waste involved in the unchecked expression of pugnacity. Where instincts serve no useful end, sublimation is the remedy suggested by students of human nature. Wise employers will consider it their special responsibility to seek means of satisfactory substitutes. As James cautioned, "So long as anti-militarists propose no substitute for war's disciplinary function, no moral equivalent of war, analogous, as one might say, to the mechanical equivalent of heat, so long they fail to realize the full inwardness of the situation."[114]

Professor Carver sees in the democratic development of industry the possibility of reducing the industrial conflict resulting from the force of the pugnacious instinct. He does not guarantee that "every possible source of conflict between employers and employees will be removed. Such a possibility does not exist."[115] There will be less conflict, however, because the newer relationship "will produce a change in the state of mind toward things about which employers and employ-

ees habitually think. Laborers who are themselves capitalists in a small way will be compelled by that circumstance to think somewhat more about capital...Employers likewise will be compelled to think a little more about the problems of their employees, and both employer and employee will be compelled to think a little more about the common enterprise in which they are engaged."[116] The aim is to divert into constructive uses the energy which otherwise goes into the destructive activities of fighting. It is possible to conceive of men becoming so vitally concerned about the common enterprise that it absorbs their whole interest and proves a satisfying channel for their efforts.[117]

Here, again, the possibility of success depends on the attitude and intelligence of the employer. The initial move must come from him. He can build up, through group interests in the common enterprise, a team spirit which will fight as loyally to protect that which is vital to both employers and employees, as it has fought to tear down what apparently served only the interests of the autocratic industrial leader. Where the right spirit and intelligence are lacking, however, we can expect continued and increasing trouble. "Is if any wonder that employees of an unthinking or misunderstood employer find more ethical satisfaction in the sacrifices and struggles for group solidarity necessary to win a strike, than they find in their routine of factory work?"[118] Employers

must provide the stimulus in developing a feeling of partnership in the minds of the workers. There are indications that they will have from at least some labor leaders support in their campaign to sublimate this socially dangerous tendency. Again, in this connection, Carver predicts that "the labor movement in this country is passing out of the stage in which leadership concerned itself mainly with the immediate tactics of battle. It is passing into the stage where it is concerning itself with the higher strategy of labor. This higher strategy takes account of the permanent economic forces and put laborers in a position where these forces work for them rather than against them. Instead of continuing to fight capital they are beginning to recognize its power and to use it as an implement for their own improvement."[119] We must, in a word, recognize the pugnacious instinct as an inevitable human element, which, however, more than any other tendency mentioned, needs to be sublimated, rather than allowed uncontrolled expression.

Conclusion

In the face of the above considerations, human nature appears to be a mixture of conflicting, troublesome desires, which are constantly demanding satisfaction. "The human personality might thus seem to be only a battle ground for conflicting impulses and habits. There is a sense in which

this is permanently true; but unifying tendencies are at work."[120] More adequate social education for the individual will provide a more promising field for the experiments of the employer who is desirous of providing means for the wholesome organization of legitimate desires, so that the individual will have opportunity for self-realization. We stressed in an earlier connection the importance of recognizing the personality of the industrial worker. The enlightened employer is engaged in providing means for the "organization into effective individual expression of the demand for fullness of life" apparent in the seemingly blind struggle for recognition of the fundamental human cravings.[121] The handicaps he encounters in the heritage of group conflict handed down from the rule of industrial autocracy are our next consideration. We shall see how the suppression of the workers' innate desires has provided a suitable background for the ill-will demonstrated in this problem of group conflict.

CHAPTER IV.

THE CONFLICT OF GROUP INTERESTS

The Individual versus the Group

The individual's limitations in group membership.-- The tendency in modern times is to specialize to the point that each interest which may be pursued to greater advantage by specialization, comes to be the object of a different association. It is essential that each member of these groups have a feeling of loyalty as well as a duty of obedience or of subservience to leadership. This subdivision of interests tends towards a conflict because of the limitations of the individual when dealing with a problem. The individual tends to magnify that which he is called upon to direct. There appears to be a tendency also toward selfish direction of enterprise, a disregard of others pursuing opposing interests, and especially toward subordinates. In industry as in other forms of group activity, there is the inevitable clash of the egoistic with the altruistic dispositions.

Group organization in industry. -- The difficulty of individual adjustment to the conflicting interests he encounters makes necessary the establishment of government or a specialized agency for determining questions of poli-

cy and for enforcing decisions of right in view of the public interest. This brings us to a consideration of the need of recognizing the value of group organization as a means of protecting related interests of contracting groups, as those composed of employers and of employees. The autocratic leaders of the past have precipitated this group organization of the parties to the industrial contract by their ruthless disregard of the rights of the individual human beings under their control. Their attitude is responsible for the militant basis of the two interest groups represented by labor organizations and employers' associations. The background of the present conflict between these two groups is thus found in the ill-will resulting from the balked dispositions of the employee under the regime of the industrial autocrat.

Background of the Conflict

Submission only apparent.-- The modern employer who aims to live up to the social obligations inherent in his position finds himself thwarted by the fact that industry is divided into two camps, each possessing, at least traditionally, separate group interests. The persistence with which the workers attempt to preserve intact their own group can be better understood by a consideration of the natural

effects of suppressed human cravings in the industrial world. Until the contributions of social psychology recently informed us to the contrary, it was commonly supposed that acquiescence meant submission. So long as there was no open revolt, the autocratic employer considered himself in absolute control of his employee-subjects dominated by the harsh rule of fear. "One of the most urgently practical lessons which is to be learned from a study of applied psychology is that many aspects of the labor problem today present pathological characteristics because of the suppression of one or another compelling instinct."[1] We can not safely assume that because people submit, they have given up hope of self-expression. The downfall of political autocracy would indicate quite a different possibility. "People are submissive, not because submissiveness is normally the dominant trait, but because adverse conditions of heredity and environment have made servility most easy or most expedient."[2]

We are often deceived by this apparent servility because we either ignore or are unaware of the peculiar reaction of human nature to suppression of its cravings. This is not to say that all tendencies should be given outlet; in the interest of social welfare, they must be brought under control. But where they are undeniably powerful, they must be either granted legitimate expression or be turned

into other useful channels.[3] There is, to be sure, some disagreement as to the concept of "baulked instincts;"[4] on the whole, however, we find sufficient evidence to demand attention on the part of those who are dealing with the modern workers. Wallas, for example, maintains that "we cannot in St. Paul's sense 'mortify' our dispositions. If they are not stimulated, they do not therefore die, nor is the human being what he would be if they never existed. If we leave unstimulated, or, to use a shorter term, if we 'baulk' any one of our main dispositions,---we produce in ourselves a state of nervous strain."[5] There can be no peace in the mind of the individual thus treated, because of the undercurrent of thwarted instincts.[6] Baker quotes the childhood of Helen Keller as a plain illustration of this truth. "Some years ago," he says, "I heard deaf and dumb Helen Keller describe how, as a child, she tried to express herself and could not speak, could not even make motions that conveyed any idea, could do nothing for herself. She described the wild fits of rage she went into. She was suppressed, inhibited. Something of the same kind goes on among masses of men who are not allowed self-expression. A certain number become reckless: fall into rages; are willing to do anything to escape."[7]

Reactions from suppressed instincts.--The employer who is suddenly confronted with an outburst of threats from a group of employees noted for their apparent loyalty may well look to the above explanation for the root of the trouble. Wera quotes the case of such an employer who overheard his men in angry discussion regarding him say, "The only thing he deserves is that we should set his shop on fire." To his surprise, he learned on investigation that the leader in this revolutionary conversation was a man who had been in his service for over twenty years. "A seemingly peaceful personnel was full of hidden discontent which the employer had failed to discover."[8] Carleton Parker's whole philosophy of labor unrest is based essentially on the importance of the balked instincts. This thwarting of normal human tendencies results, he says, in a condition of "mental stress and unfocussed psyhic unrest, and could in all accuracy be called a definite industrial psychosis."[9] Our mistake has been in overlooking the hidden factors which in time bring inevitable results in conduct. "Even though in the normal mind we may find that what is repressed apparently disappears, it is still unconsciously alive and alert, ready to burst out into expression when self-control is relaxed through fatigue or overstrain, thus remaining always a potential menace to well-being. We can-

not get rid of undesirable ideas or feelings by a ruthless attempt to banish them from the conscious mind, because, if we try, what happens is that they are merely thrust down deeper into the mind where they are beyond the healthy surveillance of the reason...The main lesson from this for the student of social phenomena is that you cannot preserve industrial peace by keeping what corresponds, in society, to the complex, 'under', 'in its proper place.' Frank face-to-face discussion and mutual toleration will alone restore our social equilibrium."[10]

As in other difficulties due to some phase of human nature, it is encouraging to note that here, too, there is appearing an understanding of these sociological principles among the new leadership in industry. Responsible industrial leaders are beginning to look beneath the surface for unrest which has heretofore interested them only from the superficial standpoint. Myers, for example, speaking from his experience with industrial democracy, makes much of the "rebel mind." He insists that "the ultimate explanation of Labor's revolutionary spirit is to be found in the rebel mind which is engendered in the more courageous and self-respecting individuals and groups of workingmen by the repressive principle of autocracy which, as we have seen, is inherent in the master and servant relation of modern industry...We should understand the cause of the

rebel mind, which increasingly characterizes the Labor movement so that if we do not like its manifestations, we can make an intelligent scientific move to correct the evils with which it seems to threaten society by removing the cause."[11]

Reaction a good sign.--This unrest from deep-rooted, and long-neglected, factors is a wholesome sign, much more desirable than an apathetic acceptance of the repression of autocracy. From it comes, in time, progress, but it is the duty of employers to see that this progress is not paid for at too high a price. "It is not submission that has created civilization, but the efforts of the best men working for a better life. The aptitute of discontent, which distinguishes the human species from others, is really the only source of progress. Since man feels pain when he is badly adjusted to conditions, he aspires to better things. By criticizing the present order, he is spurred to progress. By imagination, judgment, and memory of past experiences, he constructs for himself an image of a more attractive possibility, that is, an ideal."[12] The menace to society comes from the laborers' attempts to work out an ideal which serves their own group, and is necessarily subversive of the welfare of the larger group. We must capitalize the restlessness of the workers in the interest

of all concerned. This means that we must analyze the symptoms which are at present disturbing us. We can arrive at no better condition if we are simply irritated by these signs of unrest. "It is the stagnant pool of Contentment, not the running stream of Ambition, that breeds disease in the body social and political. The working-men of this country can no more be induced to sanction riot and disorder than can any other class of the community."[13] Thus runs the confidence of Professor Carver, who is nevertheless insistent that we give intelligent attention to the fundamental causes of this discontent. Let us see, first, how employers and employees through their "interest groups" are attempting to handle the desire for self-realization on the part of the individual members. Then we shall be ready for a consideration of the devices resorted to by the new leadership in industrial democracy.

Group membership a means of self-expression.--Since industry tends to deprive the individual worker of effective means of self-realization, the benefits to be derived from association with fellow-workers in group activities are accentuated. The sense of inferiority is lessened by the feeling of importance resulting from affiliation with the strength of organization. Protection, at least, theoretical protection, is afforded from the exploitation of unfair employers. Unfortunately, opportunity for revenge

for wrongs of the past and present is likewise included in the satisfactions of group membership. In various other ways, as we shall see, the group serves a social purpose in industry, provided its ends are in accord with the general welfare.

Self-realization through Labor Organization.

Militant basis.--A clearer conception of the human nature involved in both "interest groups" is possible if we regard employers' associations and trade unions as fundamentally aggregations of human beings, each interested in pursuing activities conducive to its own welfare. Prime Minister Baldwin would like to have us feel that "the growth of these associations is not necessarily a bad thing in itself, but that, whatever associations may call themselves, it is the same human nature in both, and exactly the same problems have to be met, although we hear a good deal more of some of those problems than of others."[14] He asserts emphatically that "the only progress than can be obtained in this country is by those two bodies of men, so similar in their strength and so similar in their weaknesses -- learning to understand each other and not to fight each other."[15] We can arrive at this possibility more directly if we consider first the reasons for the militant basis of employees' and employers' associations,

and then the means of diverting them to constructive uses. It is a far cry from these fighting organizations to the peaceful relations which Rockefeller insists are more natural. "It is frequently maintained," he says, "that the parties to industry must necessarily be hostile and antagonistic; that each must arm itself to wrest from the others its share of the product of their common toil. This is unthinkable;....the parties to industry are in reality not enemies, but partners; they have a common interest; no one can get on without the others."[16] Why, then, this unspeakable loss of energy in militaristic activities?

What is the sociologist's explanation of the existence of labor unions, and how does he treat the pugnacious aspects which trouble society so greatly? "The social psychological view of unionism and its relation to society may be stated somewhat as follows: Modern realistic social science has pretty definitely reached the conclusion that society is made up of a great complex of interacting and interlocking social groups. Each of these groups has its own peculiar aims, social motives and attitudes, social principles, theories and program of action more or less clearly formulated, which it is struggling consciously and unconsciously to realize and put into effect in society. Or, to put it in another way, each group has its standards of right, justice, rights and welfare, with respect to the

matters with which it is most vitally concerned, and each is attempting to have these standards recognized and established in and by society. The social will and social action in regard to any matter...are at any moment the outcome of the struggle between these groups, each attempting to realize its own ideals and ends."[17]

Evolution of labor groups.--Organized labor in the United States has passed through three stages, from one point of view.[18] In the initial period, class consciousness was being developed. The "sense of solidarity" was indispensable for effective action on the part of the labor interests. "The second stage was a defensive struggle for the principle of collective bargaining. This was and is a period of warfare. It involves the use of force, sometimes economic and sometimes physical, on both sides... The third cycle or phase lies in constructive development toward a system of co-operation rather than war."[19] Labor organization threatens to remain in the second or militaristic stage as long as autocratic employers force retaliatory policies upon their economic subjects. And just so long shall we suffer from the anti-social effects of the accompanying warfare. Much of this difficulty hinges on the question of the right of the workers to organize. Many employers would long ago have joined the ranks of the new leadership if they could have changed their opinion re-

garding this right. Peace would be nearer if they could agree, with Carnegie, for example, that "the right of the working-man to combine and to form trade-unions is no less sacred than the right of the manufacturer to enter into associations and conferences with his fellows, and it must sooner or later be conceded."[20]

We face a handicap in converting employers to a reasonable attitude toward labor organizations because of the historical conception of these associations. They came into being as a means of ridding the workers of intolerable oppression, and hence established themselves on a militaristic basis. The ignorant workers still regard them as essentially of this character. As Wera wisely expresses it, "knowledge develops judgment, but belief controls behavior. Belief possesses the marvelous faculty of creating illusions which dominate imagination. Man will sacrifice his life to defend them...Belief in the power of unions, for example, has created a moral obligation to join."[21] This traditional belief in the power of the unions to override all opposing forces perpetuates the fighting spirit. This is, in turn, aggravated by the continuation, on the part of some employers, of autocratic policies which disregard the human factors which we have considered all-important. The "rebel mind" finds,

therefore, ready opportunity for expression in this type of organization. "Bearing in mind...that the rebel mind is but a reaction to the autocratic industrial relation of the present order and that the labor unionists who now make the most trouble might, under changed conditions,...become peaceful, constructive and useful citizens, it will be enlightening to note some of the manifestations of the rebel mind expressed largely through labor unions in our modern industrial life."[22]

Fear in labor organization.--The powerful emotion at the heart of the labor organizations' activities is fear. Suspicion and hate co-operate effectively to bring about the enormous accumulation of ill-will which is expressed in the industrial warfare. Force is the weapon counted on to bring about the desired ends. Fear of oppression precipitates the countless strikes which are each year recorded; and fear prolongs them, -- fear of the tyrant-employer, and, equally deadly, fear of loss of group membership if all do not hang together. Some insist that many of these strikes are carried on against the will of the worker. Doubtless there are illustrations to prove this opinion; but in a large number of cases, although the worker may himself be unaware of the cause, "what usually motivates strikes is no rational conscious conduct, but the unconscious forces of group solidarity."[23]

The fear of loss of group membership competes with the fear of injury from the employer in making the worker open to suggestions from his fellow-members or from the labor leader. When the vote on a strike is taken at huge mass meetings, it is easy to see how little opportunity reason has to enter the field, and how fertile the situation is for the operation of angry passions subject to no check.[24] "The exercise of this far-reaching power by successful labor-unions is largely emotional. In the great meetings decisions are reached by mass action. Great bodies of men sway; they do not deliberate."[25] In other words, the employer, to deal intelligently with strikers, must know something of the effects on human nature of group influence. An understanding of the "crowd mind" will stand him in as good stead as any other leader.[26] Some of the bitterness of feeling incidental to strikes will be lessened by a realization of the forces which control the individual member of the militant group. "A group, especially if it is organized to enforce its desires, tends to act impulsively, on the spur of the moment. A will-organization or an enthusiasm-creating body wants no obstacles to a quick response. A thought-organization on the other hand is by deliberate intention freer from this danger."[27]

Violence a natural result.--We can not, of course, afford to adopt a tolerant attitude toward the violence sponsored by striking employees, but we are likely to suffer from less violence if we understand the underlying human factors. "While public sentiment has rightly and unmistakably condemned violence, even in the form for which there is the most excuse, I would have the public give due consideration," pleaded Carnegie, "to the terrible temptation to which the working-man on a strike is sometimes subjected. To expect that one dependent upon his daily wage for the necessaries of life will stand by peacably and see a new man employed in his stead, is to expect much...In all but a very few departments of labor it is unnecessary and, I think, improper, to subject men to such an ordeal...The employer of labor will find it much more to his interest, wherever possible, to allow his works to remain idle and await the result of a dispute, than to employ the class of men that can be induced to take the place of other men who have stopped work. Neither the best men, nor the best men as workers, are thus to be obtained."[28] It would be interesting to know by how much the length of strikes would have been lessened if more employers could have been won over to such a viewpoint. Everyone knows that it is folly to argue with men worked up to an intense pitch of emotional excitement; likewise, everyone knows that this

angry pitch is only increased by the sight of "scabs," menacing, by their very presence what the workers regard as their own property. Yet, employers frequently fail to put into use the knowledge of human nature which they would probably apply in other connections.[29]

Cost of this ill-will.--This ignorance or willful indifference to the basic human factors results in a fearful toll to society and, for that matter, to all concerned, due to the strikes, boycotts, labor turnover, and sabotage which express the ill-will of the workers. No complete study of these various manifestations can be made in this connection; it is simply my purpose to indicate briefly their connection with the rule of human nature by the appeal to force. It is impossible to measure accurately the loss involved, but some idea may be gained from recent figures published in the Monthly Labor Review. The Bureau of Labor Statistics has no authority to compel reports, so that a complete list of strikes is not available. The Bureau is dependent upon information contained in labor papers, trade periodicals, daily newspapers, reports from the Conciliation Service of the United States Department of Labor, etc. From such sources, the following figures have been compiled regarding the number of strikes in the period from 1916 to 1925, which I have chosen for purposes of

illustration:

1916 --- 3,789
1917 --- 4,450
1918 --- 3,353
1919 --- 3,630
1920 --- 3,411
1921 --- 2,385
1922 --- 1,112
1923 --- 1,553
1924 --- 1,249 (30)
1925 --- 1,301

Possibly a listing of the time lost during these disputes will enable the reader to picture more vividly the social waste. The same report gives the following figures for the duration in days of the strikes:

1916 --- 49,680
1917 --- 26,981
1918 --- 29,895
1919 --- 62,930
1920 --- 51,893
1921 --- 64,231
1922 --- 21,436
1923 --- 23,177
1924 --- 28,588
1925 --- 23,809 (31)

The above figures, which may be regarded as typical, and which offer too much probability of future duplication, bear out the truth of Dr. Cleveland's statement that "the cost and waste of...autocratic organization in business has been far greater than the cost and waste of all the wars for democracy, plus the entire costs (not to say waste) of both military and civil establishment....Consider also the loss to the 'non-members' (the workers) has far exceeded the losses to the dollar

aristocracy."[32] The extent to which the warfare is carried is menacing in its possibilities for harm to the social order. Further loss to workers from "shut-downs, dislocations and the other upsetting circumstances of business feuds and misadventures resulting in unemployment all represent a social loss. The loss in working force due to lack of good-will, the cost of the human turnover, inanition, disloyalty, opposition to discipline and sabotage in industries managed on a basis which has ignored good-will, can not be estimated."[33] Doubtless this intangible element, incapable of measurement, exceeds the average person's comprehension.

Labor turnover.-- The situation has become so serious that, as Graham Brooks suggests, "some one should do for industrial warfare what Normal Angell has done for war between nations in 'The Great Illusion.'"[34] We are handicapped in the scientific study of the exact cost of this endless strife, but we know enough to assure us of the need of taking steps to reduce it without further delay. An interesting attempt to reach the exact figures on one phase of ill-will, namely labor turnover, has been made in what is called the Labor Turnover Daybook, minutely described by Scott and Clothier.[35] A detailed record is kept of all the factors entering into a consideration of labor turnover,

aptly called "the chronic strike," by Baker.[36] "This bears much the same relation to the personnel in any company as the cash register does to the cash box."[37] The adherents of this old regime of autocracy in industry fondly believe that "when they have prevented labour organization or held it back that they have prevented strikes and secured efficiency; but as a matter of fact they suffer continually from a kind of chronic disease of striking. Experienced men leave their jobs; and new and inefficient men have to be brought in and trained -- a very expensive process. The 'labour turn-over' today in American industry is appalling: and labour turn-over is only a chronic phase of the disease of striking. It is as though a general were trying to fight a battle with half or two-thirds of his trained men deserting all the time, with raw recruits taking their places!"[38] If humanitarian motives will not drive employers to a realization of the need of democracy in industry, possibly the inconvenience and loss to themselves will have this effect. Unfortunately, where this materialistic spirit initiates the new regime, failure is likely to result.

Sabotage.-- More ugly than any other manifestation of ill-will in industry is the practice of sabotage. Its

results are deadly, because they are hidden and extensive in their power to injure. But, equally significant, they have an undermining influence on the character of the human beings who practice "the gentle art of sabotage," to use the expression invented by its French originator, Monsieur Pouget. The I. W. W. represent the most clever experts in this practice, but, unfortunately, their policy has been introduced into labor circles which do not bear the mark of I. W. W. affiliation. The essence of sabotage is the attempt of the workers, under skilled guidance, to injure the product in some way, at the same time remaining at work and appearing to be at peace with the employer. The intricate machinery of the modern industrial world offers abundant opportunity for the demonstration of the possibilities of sabotage. For example, it is easy to use acids to corrode boilers, and acid fumes to injure cylinders. Mistakes, apparently accidental, can cause untold irritation and loss.[39] An upholsterer, the father of one of the writer's students, reported heavy financial waste and injury to his reputation because one of his workmen constantly cut expensive material to wrong measurements, deliberately, it was later proved. In another case, a paper manufacturer, introducing new machinery, was embarrassed and puzzled to find that it was breaking down re-

peatedly, -- because of the practice of sabotage by certain workmen, who tampered with a few screws. And so we might go on multiplying the all-too-numberous examples which modern industry affords us. The more important task, however, is to reach down to the root of this ill-will.

The emotional reaction on the part of the workers who are incited to this sort of activity demands attention. Their feelings become so bitter and intense that they will stop at nothing in their frenzy of revenge for the employers who symbolize to their excited minds the eternal enemy. They are not stopped by the possibility of self-injury, provided they cause suffering to this enemy. "The certainty of receiving wounds does not deter the fighter if he thinks that he can inflict greater wounds than he receives. It is in this sense that those leaders who urge the 'ca' canny' policy, or persuade laborers to engage in sabotage or other destructive measures, show their willingness that the laborers should suffer injury in order that greater injury might be inflicted on capitalist employers."[40] The labor leader of the agitator type, in his handling of the workers, often shows a shrewder understanding of their instinctive reactions than does the employer; it is a pity that his skill is so often turned to a perverted use.

I. W. W..-- No student of human nature can regard the most exaggerated type of militant labor organization, the

Industrial Workers of the World, without wishing that the devotion to what is regarded as a noble cause might be diverted to more constructive uses. A book, indeed several books, would be necessary to do justice to this organization, but because it typifies the extreme manifestation of ill-will, it should at least be noted. "It has brought to the movement an eager host of disciples aching to give themselves utterly to some ennobling human service."[41] And that the end may be kept in view, the leaders have prepared a book of "Songs to Fan the Flames of Discontent!"[42] What a great pity that all this energy should be turned to anti-social ends! That there is a tremendous amount of potential human calibre of a worthwhile type in the members of this organization is the contention of a keen student of their activities, Carleton Parker. To him, the "I. W. W. is a symptom of a distressing industrial status."[43] His analysis is valuable for our purposes, because the normal human cravings are more clearly understood if their extreme pathological expression in this radical group is held up for comparison.

General strike.-- While the representative labor union members, on the whole, disclaim connection with this body, it is interesting to see how some of the more radical policies are seeking expression in the conservative labor groups.

This can be accounted for in part by the newer members who, carried away by the novelty of their membership, seek excitement or, possibly, a means of asserting themselves. From whatever cause, the social order is menaced by the possibility of the general strike, which is one of the policies of the radical labor group. Fortunately for society, this promises to be more of a threat than an actual practice. However, England's experience with the coal strike has caused us to fear anew the adoption of this destructive method of enforcing labor's demands. A valuable discussion of the bearing of this on labor and on society in general is contained in Sir Benn's book, "If I were a Labour Leader." Sir Benn suggests that labor and capital profit from a sane analysis of the policy which precipitated this unexpected catastrophe on England. "We shall be foolish," he insists, "if we do too much of the 'Thank God' business and fail to learn our lesson thoroughly and well, for the General Strike was a wonderful lesson to all of us. There are three main things to be said about it, three things with which all those who, like me, are pacifists in industrial questions as well as in national questions, will agree. First, it was useless and futile. Second, it was illegal, and third, it was revolutionary."[44]

The most convincing argument against the adoption of

the general strike is likewise applicable to militarism generally in labor organizations. This argument is found in the cost. "All too little has been said," continues Sir Benn, "about the cost of the General Strike. Winston, that picturesque public danger,..has done no particular good by advertising 750,000 pound as the cost of the strike to the nation. The figure is, of course, absurd. What he means is that 750,000 pounds was spent on tin hats for special constables and other fancy notions....The cost of the General Strike cannot, in my judgment, be less than two, if not three, hundred millions."[45] In short, we simply can not afford the cost to all members of society of a continuation of the militaristic type of labor organization. Any institution is dependent, for its continuance, on public favor; if that is withdrawn, the institution must perish. Labor organizations are perilously close to forfeiting the valuable asset of public good-will, because, in their warfare, they are subversive of the general welfare.

Constructive use of labor organizations.-- The adoption of a new program, based on constructive purposes, must have, of course, the co-operation of the parallel "interest group", the employers' association, which we shall note later. This means, fundamentally, that it must be engineered by the

new leadership in industry, because the traditional militaristic basis of unionism is due to the autocracy of past, and some present, employers. If we are to benefit from the adoption of the "fraternity of interest" theory and to abandon the "conflict theory", we must have evidence of good faith on the part of responsible industrial leadership.[46] Assuming that that will come, let us see the possible constructive uses of labor organizations. I am taking it for granted that they are to continue, in spite of the movement on the part of many employers to oust them. But in this assumption I am taking for granted the adoption of a spirit of co-operation on the part of labor, to be met by a similar spirit on the part of the employers. "There is no reason whatever why the bond of unity among the workers should consist of a common grievance."[47] The cynical employer replies that this is nothing but smooth-sounding theory which will not bear the test of practical experience. Only the actual test can convince us of the truth of either statement, but one thing is sure, -- in the interest of the larger group, that test must be made without further delay. We shall progress more rapidly if we put our energy into attempting to use constructively labor organization, now that it is with us, rather than using strength in what may prove a futile attempt to destroy it. As Lewisohn puts it, "There are

limitations to the power that a union should exert in the actual administration of industry, but one should not underestimate their usefulness as essential social instruments."[48] He realizes, however, that they have to face a certain amount of public prejudice because of their history. "At the present stage," he says, "unions are a useful and necessary instrument for the workers and they have the opportunity of constructiveness if they choose to take it. So far, however, their usefulness has been almost exclusively critical, stimulative and protective, except in the few cases to be mentioned. They have acted as a constant party of opposition, not as a constructive and initiating force."[49]

Convenience to employers.-- What are some of their possible constructive uses? In the first place, if the employer adopts the right attitude toward the right type of labor organization, he will find it convenient to have his workers organized. "That group deliberation, action and responsibility may of itself have special values...has been infrequently realized. The fact of employees being organized together in units of various sizes for various duties can become profoundly fruitful of cordial and responsible understanding between workers and managers. Department commit-

tees and conferences representing those interested in a particular problem, are destined to be appreciated as broadly and fundamentally educational bodies."[50] The writer of this prophecy, Ordway Tead, is a keen student of human nature in its relation to industry and has tested his theories by actual application. He suggests that employees' organizations, properly handled, and treated with due respect, offer a useful channel for the consideration of such matters as accident, sanitation, elimination of waste, grievances and discharge, and so on through a lengthy list. Thus, instead of antagonizing the workers, through a high-handed method of deciding all the details without their help, the democratic employer wins them to loyalty and a co-operative spirit. In this way a responsible sense of leadership and group interest may be effected among employees. The pugnacious instinct would, incidentally, have abundant opportunity for wholesome sublimation.[51]

Means of educating worker.-- Another legitimate outlet for the energy latent in labor organization is found in education.[52] The workers would find an unlimited field here, full of profit and interest. The whole social group would benefit in large degree if the money expended annually on the numerous strikes could be diverted to this use. Carver

estimates that "one prolonged strike will cost the laborers, directly and indirectly, more than it would cost them to buy a controlling interest in several of the leading establishments in their industry."[53] Whether this enormous amount wasted annually were put into the purchase of more stocks or of more education, it would serve society infinitely more than we can estimate. An interesting experiment along this line, typical of what might be developed more fully was initiated in 1918 at the American Federation of Labor convention at St. Paul. The United Labor Education Committee was founded by the following organizations: Amalgamated Clothing Workers, United Cloth Hat and Cap Makers, Furriers' Union, Fancy Leather Goods Workers Union, and the Workmen's Circle.

This committee provided interesting and worthwhile forums for the workers in various parts of New York, at which good speakers contributed to the knowledge of the workers. During several strikes, this committee rendered valuable service in filling the leisure time of the strikers with entertainment which served the double purpose of keeping them from violence and of instructing them in the ways helpful to them. The ambition of their purposes was evident in the elaborate concerts planned by the committee in

Carnegie Hall by the Philharmonic Orchestra. "It was felt by the committee that something must be done to counteract the degrading effect on the personality of the worker which is produced by the amusements easily accessible, such as cheap moving pictures, and musical shows. Most workers seldom patronize good concerts and theatres, first because the cost is too high, and second because these forms of recreation having been in effect monopolized by more fortunate members of society, the workers feel little interest in them. Nothing, however, could be more demoralizing, both to labor and to art, than the identification of fine and serious productions with a remote stratum of society with which the worker has nothing in common."[54] If this can be attempted with such successful results in one case, why not generally?[55]

Furthering labor banks.-- The most striking illustration of constructive use of labor unionism is found in the development, in a miraculously short time, of the labor banks. Beginning in 1920, this movement has spread until in November, 1926, there were in operation in the United States thirty-seven labor banks, with resources ranging individually from $200,000 to nearly $27,000,000. and forming a total of more than $120,000,000. It is estimated that probably fewer than ten per cent. of the important labor groups in the American Federation of Labor, the Amal-

gamated Clothing Workers and the railroad brotherhoods are represented in this remarkable movement. Aside from the satisfaction of the workers in feeling that they have their own banks and have to this extent satisfied their acquisitive impulse, the labor banks afford an unusual opportunity for education of the workers. Through the necessary organization, they come to learn more about the function which efficient leadership performs, and to regard capital in a new light. Moreover, the labor banks have done more than a little to foster the much-needed good-will between labor and capital. Warren S. Stone, the late president of the famous Cleveland bank operated by the brotherhood of locomotive engineers, asserted positively his opinion in this respect. "No economic development," he maintained, "is today so full of promise as the entry of organized labor into the banking business. I believe that the mobilized saving power of workmen, employed through safe and intelligently managed investment, will lift the whole relationship between capital and labor to a higher plane. It will be a bridge to a better understanding on both sides. It will teach labor the problems and risks of capital; and it will teach capital more common sense in its dealings with labor. We have had war long enough, much too long.

The time has come to substitute reasoning co-operation for unreasoning force."[56] An institution which has evidently come to stay, the labor bank provides an unusual example of the social good which can result from putting the power of the labor organizations to constructive, rather than destructive purposes.[57]

Need of co-operation with employers.-- This ideal can never be accomplished unless we have the happy combination of intelligent leadership supplemented by intelligent followership. Ignorant types in either group hinder progress by stubborn emphasis on policies which have been outgrown socially. In order to destroy the militaristic basis of labor union organization, we need a certain preparation. An ex-member of the labor group writes as follow: "I have a firm belief that through the trade union and its eternal principles of right and justice, we can establish the era of goodwill in American industry. But there are two things we must do. We must place at the disposal of the workers, accurate scientific information as to the problems, conditions and purposes which confront the employers. We must see to it that the employers are made thoroughly familiar with the aims, objects and difficulties which lie before the workers...When we reach this point the way will be clear to eternal peace in industry."[58] To the employers, on the

one side, and to the labor leaders, on the other, we must look for the efficient, responsible leadership which will prove competent to initiate this era of goodwill.

The Employers' Associations

Similarity to labor organizations.-- Before we pass on to a consideration of the possibility of harmonizing the conflict between employer and employee, let us glance briefly at the parallel organization representing the "interest group" of the employers. Not so much is written and known about the employers' associations as about the labor organizations. As a matter of fact they deserve to share with labor the blame for the militaristic basis of organization which has increased the ill-will from which society is suffering. "The struggle between the employer and the labor union is not constructive on either side. Passions are aroused, the atmosphere is one of suspicion and fear. Always there is the need of protection from attack. What a picture all of this suggests to us of the rebel mind!...The struggle between Organized Labor and Organized Capital exhibits all of the major characteristics of war. Force of one kind or another is the method employed by both sides. Deceit, lies, misrepresentation, false propaganda, industrial spies, bitterness, hatred, reprisals,

dynamite, violence, murder -- these war activities are carried on by Capital through the newspapers, industrial detectives, company gunmen and guards."[59] And we have seen similar activities symbolic of hatred and ill-will on the part of the labor organizations. All of which goes to prove that beneath the surface, we are all a great deal alike when it is a question of basic human tendencies. And, whether we belong to the side of labor or capital, we are capable of intrenching ourselves behind a barrier of rationalization to protect us from social criticism for some of our acts. This is as true of employers' associations as of labor organizations.

Reason for existence.-- Employers' associations had their origin in a reason resembling labor associations'. In fact, they keep pace in their growth with the development of the employees' groups. The growth of class consciousness on the part of the employees made necessary an organization to represent their interests. The development of these interest groups or labor organizations attracted the attention of employers to a similar need of portection of their group. "A conception of common interests grew much more slowly among employers, but such a development was inevitable in view of the growing power of unionism."[60] Added impetus was given by the fear on the

part of employers of possible results to them of this growing power. "Any form of class contest is in part built upon an emotional attitude based upon the fact that the rivaling group is supposed to be an opposing menace. At the present time this is seen particularly in the industrial field. Capital frequently acts in labor troubles from a fear-complex basis. The employer's attitude is not so much conditioned by the issue at stake as by the fear than an imaginary program of labor will be brought forth later, and the immediate contest is a preliminary test of strength."[61]

Hence it follows that a reduction of fear on the part of one group ought logically to be paralleled by a reduction of fear by the opposing group. King believes that we already have indication of this. "It is worthy of note," he writes, "that as Capital's fears of Labor diminish, there appears to be corresponding diminution in the fears by Labor of Capital, and vice versa....The reaction of Faith is akin to that of Fear, in that each tends to foster its like. Faith inspires Faith, and Fear breeds Fear."[62]

Militant use of employers' associations.-- There are two possibilities in the employers' associations which have at the present time a formidable power, financially at least, over opposing interests. One line of activity leads to inevitable warfare, what is properly called "the working of the Law of Blood and of Death which leads to

extermination."[63] The employers' associations following this policy are organized, like the early labor unions, on a militant basis, and afford a never-failing means of stirring up antagonisms between labor and capital. The other type of employers' associations devotes its energy toward more constructive ends. Let us examine representative practices of the militant type of association. In their activities we shall find abundant illustration of anti-social policies equally guilty with the labor organizations of no regard for public welfare. "It may not excuse Unionism, but it is at least an explanation, in a measure, that there is not one of these obnoxious practices which has not found its counterpart in policies of some employers and of some employers' associations, policies in no way less degrading to all who adopt and submit to them. Cutting down wage-rates where output is increased, interfering with the right of legitimate organization, and the employment of spies are practices quite as reprehensible on the part of Capital and Management as the methods which have brought disrepute to Trade-unionism. Both are a part of the warfare of Labor and Capital which belongs to the realm of ignorance and fear, and neither can have a place in any enlightened order of relations between them."[64]

Too much space would be necessary to list the numerous

practices of militant employers' associations which result in an accumulation of ill-will. They range all the way from giving aid to employers in trouble because of union-interference, "weeding out agitators and plain union men by blacklists, card catalogs,...and by identification systems,"[65] to "securing foreknowledge of union plans by the spy system, use of detective agencies, spies in the union, the shadowing of leaders, gaining their confidence or using the dictagraph."[66] In all of these unfortunate practices the employer experiences no twinge of conscience because he feels them to be necessary for the continuation of the power which he represents. Thus the old autocratic leadership leans heavily and mistakenly on the support from militant organizations. They insist that "the employers' interests are always identical with the interests of society and therefore unionism is to be condemned whenever it interferes with their interests."[67] Thus they justify the use of force to impose on refractory employees the control to which they, as industrial masters, are entitled.

Industrial espionage.-- It will be enlightening to look closely at the most abominable of the practices which this spirit of autocracy sanctions, namely, the system of industrial espionage. Unbelievable in the extent to which it has gone today, it represents the extremes to which

industrial autocrats lean in the attempt to enforce their desires. It also furnishes a valuable illustration of the employer's lack of understanding of human nature, for, even were he unmoved by the humanitarian considerations, the impossibility of attaining material results from this policy would deter him if he considered the human factors involved. It is incredible that employers should deliberately operate their business on such a basis as the hiring of industrial spies renders inevitable, but although we dislike to admit it, "here is the industrial detective with his hundreds of branch offices and his thousands of spies and his income tax of $258,000 in a single year. Someone must pay the piper since he enjoys such prosperity."[68] And our pessimism increases when we are told that "employment of detectives as a means of anticipating trouble in the shop does not seem to be on the decrease."[69]

The system is worked out with clever attention to detail. The spy, inveigled into the business by enticing advertisements, is taught to assume any disguise that is necessary to win the coveted information for the employer. He may pose as a doctor, an insurance man, or a salesman, if it becomes necessary for him to gain entrance into the home of the worker. He mingles as a fellow-worker in the factory, often winning union membership, and encourages

the unsuspecting victim to talk freely concerning the employer, the plans of the union, and his own beliefs. Each day the spy hands in a written report of what he has learned, and when actual reports are not alarming enough, he invents what he considers necessary to insure his continued employment. The type of person who suffers no qualms from earning his livelihood in this underhanded way deserves the condemnation which Judge Anderson heaped upon him. "I cannot adopt the contention," said the Judge,"that confidential spies are not...less disposed to make trouble in order to profit therefrom than are spies in private industry. Spies are necessarily drawn from the unwholesome and untrustworthy classes. A right-minded man refuses such a job."[70]

Testimony in investigations has brought out the fact that spies are instructed to instigate all the trouble possible when strikes are being carried on, in order to prolong the period of employment. Violence is encouraged, so that the employer will feel the necessity of clinging to his hired detectives. The result is, of course, an unnecessary increase of ill-will on the part of both the employers and employees. And when all is said and done, this system does not pay because it is a futile way of handling human beings. It exaggerates the very trouble it seeks to remove. Employers who have come to their senses have acknowledged their shame at stopping so low and at being so ignorant

of human nature that they could depend on the tales of the spies. A director of Kuppenheimer Brothers of Chicago reported that "he had never known a spy report to contain any information of value."[71] Enormous social waste is the price paid for this folly on the part of employers unaware of the pricless value of a following imbued with the spirit of goodwill. "Employers and employees alike have made a practice of deceiving each other until the whole industrial world is snarled beyond disentanglement."[72] While the present system is discouraging because of the number of employers who persist in this folly, the new leadership with their intelligent consideration of the self-respect and personality of the workers, give us new hope that we shall in time be rid of the poisonous influence of industrial espionage.

Possibilities of constructive use.-- What confidence can we have that employers& associations will abandon their militant charcter, and like the labor unions of a more socially desirable type, devote their energies to wholesome activities? The answer depends in large measure on whether or not the employers will concede to labor the right which it reserves for itself, namely, the right to organize. The militant member of the employers' associations answers emphatically that he will have nothing to do with labor organizations. He justifies his position by quoting ex-

amples of unwarranted interference by labor organizations and refuses to consider the possibility of mutually helpful, peaceful co-operation. Only one thing will satisfy him, and that is the elimination of the labor organization. Miss Addams ridicules these troublesome factors represented by autocratic leadership and insists that "when an entire class in a community confess that without an appeal to arms they cannot deal with trades unions, who, after all, represent a national and international movement a hundred years old, they practically admit that they can not manage their business under the existing conditions of modern life. To a very great extent it is a confession of weakness, to a very great extent it is a confession of frailty of tempers."[73] It is, then, the duty of responsible leadership to adjust itself to modern conditions of which the constructive labor union is a part.[74]

The destructive, militant policies adopted by certain employers' associations are to be the more regretted because "the positive measures which might be taken are so many."[75] These include the possibility of using the employers' associations as a means of distributing effectively the labor supply. This use has been limited in too many cases to the disposition of workers only who could prove their complete separation from union interests. Local em-

ployers could also lend effective aid in the matter of housing. "Much may be done in the co-operative use of industrial doctors, nurses, and special experts to direct training courses; in the teaching of English; in the study of the local cost of living; and in the reduction of local living costs such as rents. Nearly all of these matters have been thus co-operatively handled in one place or another."[76] Valuable social results may result from research work, if carried on in an unbiased way. Such a possibility is represented by the National Industrial Conference Board, organized for the purpose of studying the economic problems which trouble industry. Unfortunately, there appears to have been some ground for the criticism of the one-sided nature of the reports. But, more important than any of these, is the use of the employers' association as a means of dealing collectively with the employees, just as the latter's organizations present the means of dealing collectively with the employers. Samuel Gompers saw the need of this and recommended the peaceful co-operation of these two associations.[77]

Harmonizing the Two Interest Groups

Attitude of responsible employer.-- The responsible employer is justly concerned over the possibility of harmonizing the conflict of the employer's interests and the employee's interests. Since he has pledged himself to a rule by appeal to good-will, he sees the need of removing the hostility of feeling which has marked these two interest groups in the past, and to a large extent, in the present. With Hoxie, he asks the recalcitrant employer, "If it is wrong for workers who have no grievances against their particular employer to help other workers who have, then why is it not wrong for employers who have no grievances against their particular workmen to help other employers who have?... If we feel that there is a difference, that it is somehow morally worse for the workers to strike in aid of those with whom their employer has no concern, than for employers to aid other employers with whom they have no concern, it means that we have been consciously or unconsciously holding to assumptions underlying militant employers' interpretation of unionism."[78] The essence of the matter is that we have represented here a serious conflict of attitudes which is quite likely to terminate as all social conflicts have terminated in the process of social evolution.

Social pressure against militant policies.-- In this conflict of attitudes of industrial leaders, those employers will win whose policies win the approval of the social group. "That group will gain the advantage in which the industrial leaders recognize the increasing intelligence of workmen and enlist it in productive work by giving workmen responsible powers commensurate with their intelligence. The nation that thus enlists the efficiency of its working hosts will become superior, in peace or war, to the nation whose employing classes persist in the traditional domination."[79] If the social will decrees that the militant employers' association must go, the militant employer will have no choice in the policy open to him. He will be faced with the necessity of adjusting himself to the program of co-operation with the labor organizations. The recent trend in industrial leadership points to the ultimate victory of democracy and consequently to the recognition of constructive employers' and employees' associations. This proves the truth of the statement that "society alone can give social rights; society alone can take them away. What society allows are rights. Practically, social rights are the rules of the game of the dominant class, but social rights thus granted have no necessary moral sanction...The only rational basis of rights is social will."[80]

The greatest impetus to harmonious relations between employers and employees will come from the mandates of the social will which refuses to tolerate longer institutions which bring destruction to the social order. In other words, these two industrial groups will co-operate because they are compelled to. What we need most is the right attitude on the part of these two factions.[81] This can be secured by devotion on the part of each to a common ideal of service. "The larger function of the ideal is to unite individuals into a spiritual collectivity and compel them to co-operate for the realization of their common aspirations."[82] Employers of the old autocratic regime lost valuable support from their workers because they saw no need of the power of a common ideal. They did not realize that "annumber of people united together do not necessarily form a psychological group; but any number of people united by a common idea, sentiment, emotion, interest, or the like, even when they are not gathered at the same place, can form a psychological unity."[83]

Joint-union principle.-- What we need to achieve the benefits from a common purpose is the spirit contained in the "Joint union principle." "Both the labor union and the employers' union are in process of changing their functions and of adjusting themselves to the new forms of joint union based on the principles laid down...as the principles of the shop committee. It is now, therefore, seen to be the

fact that the shop committee promotes unionization of the workers, just as it promotes unionization of the employers, but that it promotes this unionization for a fresh purpose and in a fresh way. Motive in human affairs is everything. The motive of the old labor union and of the old manufacturers' association was primarily defensive, hence militant, and hence to some extent destructive. The motive of the new union is constructive. It looks toward co-operation instead of competition, towards strife only as a last resort."[84] This is another way of putting the emphasis on what Miss Follett calls "the recognition of community rather than of individuals or class, the very marked getting away from the attitude of putting labor interests against the interests of capital."[85] This emphasis on community renders conflict out of the question. Instead of warfare directed toward securing to each group anti-social privileges, the energy of each, under the new leadership, is to go to the "joint task" of reducing waste in production and of reducing loss in human happiness.[86] Loyalty to the common purpose will provide a valuable cement.

Interdependence of two groups.-- The attitude, then, of employers and employees should be that of partners, rather than of enemies, since they are both engaged in the service of the large group to which they owe their exist-

ence. Their interests are fundamentally the same, although long years of autocratic rule in industry have tended to obscure that fact. The heritage of hatred handicaps the present attempt to bring together these two industrial groups which are interdependent. The resulting feelings of suspicion and hostility build the foundation of lasting ill-will which must be overcome by the skill of the new leadership. Some years ago William James wrote an essay on "A Certain Blindness in Huamn Beings." In the first paragraphs he brought out the significant fact that we are all afflicted with a certain blindness "in regard to the feelings of creatures and people different from ourselves."[87] When to this Blindness due to differences of character is added the inherited feelings of past injustice there results a formidable barrier to good-will between the employers and employees. But the situation is by no means hopeless, especially in the hands of typical representatives of the ideal of democracy in industry.

"Were the respective interest of Labor, Capital.... and the Community antagonistic, it would be folly to seek to discover methods whereby the rights of all might be conserved, and progressive gains arising from increased productivity secured to each. Happily, their respective in-

terests are, as regards output, mutually and absolutely interdependent. As regards the division of output, advantages may be temporarily gained by one or more of the parties, but in the long run, failure to protect the just interests of each involves loss, in some measure to all. It is only by viewing Industry in a comprehensive way that this fundamental truth can be grasped."[88] It remains for us to invent some way by which this truth can be universally inculcated in the employers and in the employees. Society, in the ill-will we have illustrated above, suffers needlessly from the lack of understanding of this basic principle of industrial relations. If it is fully appreciated, there will be little difficulty in securing the co-operation of the workers in the common enterprise in which, with their employers, they are engaged. When we have achieved this ideal, we shall have more instances like that quoted by Whiting Williams in a recent magazine article. In this connection, the leader of a group of skilled technicians, at work on the electrical arrangements by means of which thousands were to be enabled to hear the President's speech on the Unknown Soldier, reported that all day each man worked as if his very life depended on the success of his task. To quote one of the group, "Not a man of us but would gladly have dropped dead in his tracts rather than see the

operation fail!"[89] Such workers forget their differences and their desire to fight because they are absorbed so completely in their common task. The new leadership does well to build up about him the good-will of his "fellow steamfitters, coal-miners, farmers or legionaries -- his followers because they are his associated shares in the common emotions of that common experience which follows inevitably upon the common liberties and limitations of a common job."[90] Such a "bond of emotions" can be discovered by the capable, responsible industrial leader.

Social necessity of co-operation.-- We can not afford socially to neglect the problem of harmonizing the group interests represented by associations of employers and of employees, even if we would. If we do no supply sufficient representatives of the new leadership to initiate a program of industrial peace, the warfare will continue, "becoming ever more relentless, cruel and destructive, until we learn that industry is necessarily co-operative; that co-operation and conflict are irreconcilable; that the only method by which co-operation can be made effective is that of democracy; and that democracy means peace."[91] If we were so short-sighted as to permit this futile struggle, we should find ourselves paying a ridiculously high price in the retardation of social progress, higher even than that demand-

ed in the past. The absurdity of continuing such a struggle is plain enough, if we can only gain the attention of those who are responsible for the guidance of industry. It is decidedly thought-provoking that a former Minister of Labor in Canada should be able to say, "Without exception, every dispute and controversy of which I have had any intimate knowledge has owed its origin and the difficulties pertaining to its settlement, not so much to the economic questions involved as to this 'certain blindness in human beings' to matters of real significance to other lives, and an unwillingness to approach any issue with any attempt at appreciation of the fundamental sameness of feelings and aspirations in all human beings."[92] The new leadership is attempting to demonstrate to us the good results of appreciation of the feelings and aspirations of the human beings under his supervision. By this reapect he is seeking to establish the necessary foundation of good-will. Into this newer regime of control through good-will the two "interest groups" composed of employers and employees must fit by adapting themselves in their activities to the service of a larger and more important social group than their own. Since warfare between themselves is detrimental to the welfare of this group, commonly known as "The GreatSociety", it will not tolerate permanently those sub-groups, either

of employers or of employees, which fail to justify their continuance because of inability to adhere to the principles of good-will.

It is fortunate for society that we see signs to confirm the opinion of Sir Ernest Benn, a prominent English industrial leader. He declares optimistically, in the face of the recent general strike, that "fighting spirit as between employers and employed is wearing out on both sides, and we Trade Unionists should be the first to rejoice. Better education on both sides is leading to a general realization of the fact that the best interests of these two parties are in fact identical, and that the only way to promote those interests is along the road of co-operation."[93]

CHAPTER V

THE NEW LEADERSHIP AND INDUSTRIAL DEMOCRACY

Experiments in Industrial Democracy

Meaning of industrial democracy.-- The practical application for the principles of the new leadership is to be found in the experiments carried on under the name of industrial democracy. This expression, although commonly used, has a wide variation of meanings. "It may be a very crude and partial arrangement in which only a little democracy is let into the industry, and only very limited powers conferred upon the 'council', or it may go to the length of admitting a representative of the workers to a place in the Board of Directors of the company with extensive privileges granted the workers of sharing in the profits and of purchasing stock in the corporation."[1] The important point which all, to a greater or less degree, demonstrate is the recognition of the rights of the employee to the greatest possible opportunity for self-development, -- in a word the recognition of the personality of the worker. Some employers for various reasons can apply this principle only to a limited extent; others, adhering tenaciously to the old principle of industrial autocracy, refuse to tolerate any semblance of human rights. That we may see how extensive

has been the spread of the gospel of the responsible industrial leader, let us glance briefly at typical experiments and their success.[2] We shall find that "there are 'fifty-seven varities' of industrial democracy in the thousand plants which are operating shop councils in the United States with probably as much variation of sweet and bitter as is to be found in the equally numerous varieties of the famous pickles."[3]

Welfare schemes.-- The entering wedge may be regarded as the numerous welfare schemes which harassed employers, in an attempt win the good-will of troublesome employees, put into operation. This was the initial period of experimenting, mostly by employers who had no intention of giving up their autocratic control, although there were illustrations of honest democratic employers who blindly sought to put their principles into practice through welfare schemes. In this period, "welfare workers, reformers, social engineers so-called, personnel executives, and a hodgepodge of other would-be idealists came trooping to the captains of industry with pet schemes that would, according to their statements, establish a close relationship between the employer and the employees...Hundreds of thousands of dollars were spent in the purchase of playground equipment, erecting recreation buildings, developing parks, and establishing libraries. A sort of coddling, paternalistic attitude

was established."[4] The desired result was not attained because these plans went contrary to the human nature of the workers, as we have described it above. No self-respecting employee could accept the countless welfare arrangements toward which he had contributed nothing, and in the carrying out of which he had not been consulted. His gratitude was not only lacking, but his irritation was increased by this display of what he justly regarded as benevolent autocracy or paternalism. Because these plans gave such little heed to the basic dispositions of the workers, they were doomed from the start to failure. Gompers' indignation waxed so extreme that he called the schemes "hell-fare work."[5]

These attempts to win over the workers to the side of the employers could not have succeeded, other thing being equal, simply because the motive back of them was wrong. The employers were not primarily interested in the welfare of the workers; what they desired was their own security, especially from labor troubles and union interference. This aim was all too apparent when any indication of self-assertion of the workers appeared in connection with the welfare plans. "Industrial club-houses...are seldom, if ever, places which are open to the free expression of the employees' own thoughts. Speakers who do not meet with the approval

of the management of the Company are not allowed to address the employees in these buildings which have been 'given' to them by the Company...Social and religious welfare work under Company control does not 'get by' with the working people. They feel the inconsistency of the situation even when the employer may not be conscious of any hypocrisy."[6] This accounts for the serious strikes which have occurred so frequently in plants noted for their elaborate welfare arrangements.

Profit-sharing plans.-- Closely associated with these welfare schemes are the various profit-sharing plans, initiated, likewise, for the purpose of stimulating the workers to increased activity in behalf of their employers. Profit-sharing was being agitated in the period just after 1870 by American industrial reformers who were drawn toward the plan by its operation in Europe. Numerous attempts were made to pattern plans after those in vogue across the water, but, on the whole, the early history of profit-sharing spells failure. "The greater number of schemes introduced were sooner or later discontinued. The sharing of profits came to be regarded as of interest chiefly to the theorist or idealist, but of little value to the employer concerned with efficiency and profits. In general the attitude of employers and employees towards profit-sharing

during the past decade has been one of lack of interest rather than of opposition."[7]

In general, it may be said that profit-sharing failed because it sought to hand out to the workers a share in the profits without making them partners in the enterprise in any real sense of the word. When losses were suffered by the firm, they were irritated, because, on the outside as they were, they chose to believe that the employer was reducing their income needlessly. Because a sense of responsibility was not developed in them, they were unfair in their willingness to increase their individual efforts that there might be more profits in which to share. The failure of profit-sharing, in short, is another illustration of the need of taking into consideration the human factors which determine the attitude and activities of the workers. Where profit-sharing is today successful, the principle of employee-representation has been introduced, so that the worker is not expected to add to his employer's earnings without at the same time receiving stimulus from knowing that he is regarded to some extent as a partner. His self-respect is increased, and his inclination to honest effort, likewise. Because he knows more about the firm of which he is a part, he is less unreasonable when things do not go to his liking.

Scientific management.-- About the time when profit-sharing was demonstrating its inability to take care of the

industrial situation, there was much discussion of the so-called "scientific management." Strangely enough, throughout this paper, we have been concerned with just that, scientific management, but, in our case, with special reference to the scientific management of the human factors involved in industrial relations. Taylor's plans for the more efficient management of industry were well organized, but refute much of what the new leadership is compelled to respect. Under scientific management, the work of supervision and of manual labor was minutely analyzed and the tasks distributed so that each foreman and workman would be able to give his time to a specialized task to which he was adapted. Careful study of time and motion was made, in the effort to reduce all waste from inefficiency. The piece-rate method of remuneration was adopted, likewise in the interest of increased efficiency. The elaborate scheme which attracted such wide attention for a time was founded on a false conception of human nature. The technical detail is worthy of admiration, but it runs counter to the wise handling of the workers' nature.

In the first place, it tended to accentuate the autocratic power of the employer, because the control of the plan rested ultimately with him. Again, it made a serious mistake when it sought to stimulate the workers permanently

by playing on their rivalrous instinct through the differential piece-rates. "The effect of superior pay for superior workmen is often to discourage inferior workmen. For instance, in one case one group of workmen produced less than formerly because of their discouragement and resentment felt on account of another group in the same department who were earning much more than they under the scientific standards. Instead of the inferior workmen being stimulated to excel the other they simply stalled in their work."[8] The worst sin of all lay in the tendency of the system to reduce the employees to the level of efficient machines. In the interest of reduction of waste, no consideration of the human irritation incidental to the automatic nature of the work was made. This would have been serious enough in itself, if it had been offset by allowing the workers some share in the plant which they were supposed to serve so mechanically and efficiently. With this denied them, they did not measure up to the expectations of the scientific managers. We might sum up the failure of this famous attempt to improve industrial relations by saying that "scientific management has been undemocratic in purpose and administration. It substitutes the individual for the collective bargain, and weakens the competitive bargaining power of the individual workman."[9]

Guaranteeing employment.-- Before passing on to a brief mention of employees' representation and stock ownership as practical applications of the principles of industrial democracy, I should like to stop for a glance at a type of plan which interests me because it gives such intelligent heed to the fears which disturb the workman. We have already noted that much of the irritation which breaks out into more serious demonstrations originates in the insecurity which the employee, in contrast to his employer, feels. This insecurity is of huge importance to him because if he is not sure of work and adequate income, the very roots of his being are menaced. His self-respect suffers, his possessions not only diminish but vanish to the danger point, his parental instinct is denied expression because he lacks means of decent support for those dear to him. Naturally, he reacts in a revolutionary way to the employer whom he holds responsible for his dilemma. The question arises as to whether we can legitimately hold responsible the employer for the guaranteeing to the employee of full-time earnings. That this can be done has been proved by the experiment of the Dennison plant in Framingham. The old-time autocratic leader smiles at what he considers sheer nonsense, for he believes that the fear of losing one's job acts as an effective incentive for stimulating the efficiency of the work-

er. Thus he proves his ignorance of human nature, and continues to suffer the inevitable wastes resulting from the workers' prolonging the job as much as they dare, in the hope of warding off the dreaded unemployment.

Dennison plan.-- The Dennison plant demonstrates more intelligent understanding of the fundamental human factors by attempting to insure the workers against the evils of unemployment. The managers try first to reduce unemployment by planning ahead, by developing lines for supplementary seasons and by training the workers for supplementary jobs. But when this fails, the company deliberately assumes the responsibility of paying for enforced employment of a temporary nature "on the ground that the opportunity to reduce unemployment rests largely with the employer."[10] A striking illustration of responsible leadership! This is provided for through an unemployment fund, administered by a committee composed of an equal number of representatives of the management and of the works committee. Under this plan, workers employed for more than six months who suffer from temporary unemployment are to receive eighty per cent. of their regular wages, if they have dependents, and sixty per cent., if they have none. The unemployed workers are expected, on pain of losing this compensation, to seek temporary employment outside the plant; when they have secured

this work, a suitable adjustment is made in the wage payments from the unemployment fund. If the depression proves to be of long duration, so that discharge of the workers becomes necessary, they are allowed two weeks' notice with pay for that period. This scheme is worthy of commendation because it recognizes the investment of the worker of all that he has in the plant, and his right, as a result, to consideration by his employer in times of emergency for which he is not responsible. The cost to the employer is not burdensome, according to the report from the Dennison plant. Up to the present time, the fund has totalled approximately $150,000, about $40,000 having been paid out of it since 1920.

Plan of Holyoke paper mills.-- A similar elaborate attempt to provide security for workers with regard to their positions has been made by two paper mills in Holyoke, Massachusetts, -- The Crocker-McElwain Company and the Chemical Paper Manufacturing Company. This has been in operation for five years, and the officials responsible for the plan, although they are not positive of its permanent success, are satisfied with the results thus far. When an employee is included under this plan, he is protected against loss of pay resulting from restricted operation. He is compensated, moreover, at the regular rate of pay, But he must have served the firm five years before he becomes eligible

for the benefits of this plan. The firm is willing to stand the cost because it believes that "a wise investment in human nature is economically sound."[11]

It is interesting to note that this firm, because of one experience with a strike, has found it necessary to ask each worker to sign an individual contract with the company. This does not interfere with their union membership, and the firm makes no discrimination against union members. "The firm does not deny its desire to get all its workers to entertain toward it a maximum loyalty. Neither does it deny that a worker who goes on strike will be forced to lose all his service advantages."[12] That seems only fair in view of the firm's guarantee in time of unemployment, and also, in view of the firm's provision for protecting the worker against arbitrary discharge. As a matter of fact, "even if the plan were regarded as an anti-union move, which the firm insists it is not, it would be much better to have the competition between the employer and the union for the loyalty of the workers placed on this basis of advantages extended, rather than on the more usual basis of misrepresentation, repression and violent struggle. If an employer feels he must compete with unionism on any grounds, this method is certainly less harmful for the worker and society."[13]

Employee representation.-- The most important illustration of the principles of industrial democracy is found in what is ordinarily termed employee representation or joint management. The latter term is misleading, as we shall see, because most of the employers as yet see little possibility of admitting workers to the actual responsibilities of management. In fact, employee representation affords a favorable setting for other devices intended to recognize the personality of the worker. Profit-sharing, for example, if used in connection with an effective scheme of employee representation, is more likely to succeed. The fundamental purpose of this phase of industrial democracy is the assuring to the worker a status in the field of industry which is commensurate with his natural human desires. For purposes of illustration, let us look at the plan instituted by the Colorado Fuel and Iron Company in 1915, keeping in mind that there are endless variations of this plan. We are not so much interested in the detail as in the spirit motivating these plans. I am particularly interested in the Colorado plan because it was established by a man who sees plainly the relation between Industry and Humanity, as his book reveals, -- namely, W. L. Mackenzie King, referred to in other connections.

Illustration from Colorado Fuel and Iron Company.-- John D. Rockefeller saw the need of inviting King's services

because of his distress over the conditions prevailing in his company. "I frankly confess," he writes, "that I felt there was something fundamentally wrong in a condition of affairs which made possible the loss of human lives, engendered hatred and bitterness, and brought suffering and privation upon hundreds of human beings. I determined, therefore, that in so far as it lay within my power I would seek some means of avoiding the possibility of similar conflicts arising elsewhere or in the same industry in the future."[14] The plan, as finally evolved, centres on the principle of Round Table Conference, with representation of all parties concerned. Where this principle is back of any of these plans, we are assured in time they will bring results, because they are psychologically sound. "Once the principle of Round Table Conference....is made the basis of government in Industry, Fear will give way to Faith; the conflict of opposing interests will vanish before an understanding of common interests the principles which underlie Peace, Work, and Health will find ready application; and Industry itself will gain that spirit of hearty co-operation and constructive good-will which means its highest efficiency both as an instrument of production and as an agency of social service."[15]

Each employee is presented with two printed documents

when he is made a member of the system of employee representation in the Colorado Fuel and Iron Company. One is a trade agreement signed by the representatives of the men and the officials of the concern, giving plainly the conditions under which the men agree to work; the other is an "industrial constitution" explaining the relations between the employers and employees. The machinery is provided with the deliberate intention of reducing all possible friction, acting on the wise assumption that it is better to prevent than cure, because of the ill-will likely to remain for a long time after an outburst of anger. Frequent meetings are planned between the representatives elected by the men and the representatives elected by the employers, and the men are given encouragement to thrash out problems which are troubling them. They have means of redress from grievances through the President's Industrial Representative who furnishes a direct link between the president of the corporation and each workman. The industrial leaders responsible for this scheme have gone a long way in providing for the inevitable human reaction of the workers by granting a constitution which does not "restrict the right in any way of the employees to regulate their own lives, nor does it abridge their right to join any organization they please. At the same time it does insure the men fair treatment and

an opportunity to make their voice heard in determining the conditions under which they shall work and live."[16]

Importance of employee representation.-- Employee representation schemes, although imperfect in many ways, and not as extensively applied as we hope they will be in the future, represent a marked advance over the time when the industrial leader simply posted notices which the workers, without protest, were expected to obey, and even over the time when the employer condescended to offer a few explanations as to why certain steps were necessary. The representation schemes which are respectfully regarded by the workers must be seriously considered by the employers themselves, for the workers, trained in the school of industrial autocracy, are quick to sense a formal and half-hearted attempt to make them feel important, without actually granting them a voice in the affairs of the company.[17] Indications that the new leadership is winning more converts may be found in the abundant periodical articles dealing with the human side of industrial relations. To be sure, allowance must be made for the hypocritical individuals who seek to advertise their generous qualities. But we need not worry about them, for the insincerity of their motives will defeat their purposes in time. A typical illustration of the increasing interest in industrial democracy may be found in the series of

articles in World's Work in 1924 written by outstanding advocates of industrial democracy. Further indication is found every month in articles written for Industrial Management and other technical magazines. These human interest experiments form a strange contrast to the adjacent context, concerned as it is with scientific and mechanical matters.

Some of the testimony from these articles might have come directly from the lips of sociologists rather than mechanical experts. Listen, for example, to what Teagle, the head of the Standard Oil Company of New Jersey has to say. After commenting on the needless fears of the autocratic employer, he writes, "Big business today knows -- and what is perhaps more important is that the worker in big business knows -- that industry without co-operation, without the spirit of partnership, cannot succeed...Big business can afford to be human. That is the answer to its success in achieving a spirit of human relationship wherever an effort in this direction is being made...When the Standard Oil Company of New Jersey organized its industrial representation plan, it was not done as a matter of form which would be a good publicity feature. We were interested in our men, their thoughts, their minds, their re-actions to rules, to wage rates, to conditions of labor. We knew our men were

interested in knowing how the wheels went around in the minds of the men who helped formulate these conditions."[18] The organization of this plan was worth the expense because "it gives every worker in the plant, no matter how humble, a feeling that he belongs. It gives every member of the management body a feeling that he is understood by his men. There is no underground grumbling, no repressed dissatisfaction that in the usual course of affairs would lead to an explosive strike."[19]

There are all sorts of variations of the technical machinery of employee representation, the most complicated resembling the organization of our federal executive bodies, with provision for a Cabinet, House of Representatives and Senate. Often, however, if the spirit is intense and sincere enough, the simpler arrangements are just as effective. Rea, a railroad official, comments to this effect in one of the series referred to above. His plan rests upon the following principles: "1. That men and management are merely two divisions of the same working force; 2. That only a prosperous company can pay good wages; 3. That the company's success is the workers' success, and its failure, his failure; 4. That conflict between men and management in any enterprise is destructive to the mutual interests of both, and 5. That faith in each other, facts jointly established,

and fair play are fundamental to industrial peace."[20] These principles are carried out by a very simple arrangement. "In place of strife," says Rea, "we have attempted the plan of sitting down as friends and talking over differences that may arise between us until we reach a point where a common understanding is guaranteed. That, in brief, is all our employee representation plan consists of. It is simply the old-fashioned, across-the-table conference, by which, from time immemorial, fair and reasonable men have been able to iron out their differences."[21] After three years' trial, the firm is convinced that mutual loyalty has been greatly increased, and that a long step has been taken in the direction of permanent peaceful relations between employers and employees.

Employee ownership of company stock.-- Because we laid such stress on the significance of the desire for acquisition, it will be appropriate to consider that phase of industrial democracy which stresses employee ownership of company stock. It is expected that through the ownership of stock the employee will feel himself more a part of the company, and will thus hesitate before taking steps that will injure the concern in which he has an interest. The plans are of three types; in the first, the employee bears the cost; in the second, he is aided by the company; and in the third,

the company gives the employee the stock. The wide application of one or the other of these plans in the United States is set forth in detailed form in a book just off the press, entitled "Employee Stock Ownership in the United States", prepared by Robert F. Foerster and Else H. Dietel, the Director and Assistant Director of the Industrial Relations Section of the Department of Economics and Social Institutions of Princeton University. According to this investigation, the present holdings of stock issued by companies to their own employees total about $700,000,000. "There is reason to think that if the complete holdings or subscriptions in the securities of all companies could be obtained, a figure materially higher would result."[23]

Freedom is generally allowed the employee in subscribing. Employees are plainly given assurance of this in most cases in the circulars sent to them when the plan is started. They are free to choose whether they can save regularly the necessary amount, or whether their other expenses make this impossible. The American Tobacco Company, for example, plainly states in its circular that it realized that employees may have calls for their money that the employers know nothing about. The wisdom of this policy needs no emphasis; it is an indication of the industrial leader's recognition of the desire for freedom on the part of the

employees. Coercion in the matter of stock purchases is as detrimental to good-will as in any other phase of industrial life. A well-meaning employer might easily attempt, somewhat after the fashion of a well-meaning parent, to force upon the worker what he was sure was good for him, regardless of the other's personal feeling in the matter. The appeal to the good-will of the employees is assured with the element of pressure lacking.

Further recognition of the employee's right to independent action should be found in the information furnished him regarding the stock. The minority of the corporations appreciate the need of complete and reliable information. Possibly they assume that the employee's intelligence is not sufficient to comprehend the technical details. Without question, this information ought to be available in the plainest possible terms. The employee should know the nature of his investment, the possibility of fluctuation in its value and in its earnings. It would be advisable for all companies to adopt the plan of the Hood Rubber Company which distributes a carefully planned circular explaining the character of the stocks and adding to this explanation a word regarding the importance of giving first consideration to savings, provision for life insurance and for future ownership of homes. It also is

frank to reveal the possibility of loss to the stockholder. The Standard Oil Company of New Jersey adopts the question and answer method of conveying the necessary information to prospective owners of company stock.

This attempt to recognize the desire of the worker for a share in the earnings of the concern he serves had encountered some difficulty because of the refusal of some companies to grant their employee stockholders voting rights. In some cases, however, this privilege is granted after the stock is paid for, except where a special issue has been sold to employees. The Clark Equipment Company is an example of a company which believes that loyalty to the leadership of the concern is fostered by giving the workers knowledge of the affairs which interest them so vitally. Hence, it invites its employee stockholders to four meetings each year at which these affairs are discussed. The Stetson Shoe Company proceeds on a psychologically sound basis when it permits employee stockholders to select a representative from their number for membership on the board of directors. Although the employees are desirous of freeing themselves from any feeling of inferiority implied in the refusal to grant them rights similar to other stockholders, they might well be led to see the reasonableness of waiting a certain period of time, as Mr. Arthur Nash of the Golden Rule plant suggests. He himself reserved the voting rights for five

years on the stock he turned over to his employees. This delay was intended to prepare his workers for more active participation later. As a matter of fact, the employees are not so much concerned about the actual voting as they are over the principle at stake."[25]

Good results of employee ownership.--Ordway Tead in an interesting recent article on "The Rise of Employee Stock-ownership" discusses the possible good results to be obtained from this phase of industrial democracy. He believes that thrift is fostered, especially in those cases where the employer adds a substantial amount to the employee's savings. Some companies also have faith in the "educational by-products" of these plans, as well as in the possibility of improving the company morale.[25] In the background, generally speaking, is the hope that a better spirit will be developed which will reduce the indications of industrial unrest. Particularly valuable are those stock-ownership plans which supplement the system of round-table representation. "Equally important with round-table representation," according to one industrial leader, "is the stock acquisition plan. We are endeavoring to enlist in their daily routine work both the self-interest and intelligence of our employees. We are trying to make them feel that their service with us, in even a relatively unimportant position, has some meaning and some definite regard in addition to the

daily wage...We are endeavoring to bring it within the power of every employee to become a capitalist...Our proposal is that our employees join with capital in owning and operating the property and making it increasingly productive...To sum this up in one sentence, our organization should be like one great big family, the employee feeling that each in his individual capacity is a member of the family rather than a servant of the family."[26] The cynical critic would say that this employer knows how to talk well, but this same employer is intelligent enough to admit that "talking about co-operation, about partnership, about similar interests, is of small value unless you can produce something tangible to show for it."[27]

Risks in employee ownership.-- There are, of course, serious handicaps to the universal application of this plan for securing the good-will of the workers. In some cases, the risk is too great; the employee-investors are "putting all their eggs in one basket", and can not afford the risk involved.[28] Some stock fluctuates too frequently to lend itself well to these schemes.[29] The inability, because of lack of sufficient income, of some to benefit from the employers' offers would exclude a certain number. Others would exclude themselves automatically because of deep-seated suspicion of the employer. "The workmen that like

it best are of the affirmative type, those that justify the work the corporation is doing and have pride in its accomplishments, those that have no essential quarrel with corporations and employers as such, nor with the industrial system as such. They are not primarily reformers, they belong to the non-insurgent type, are suspicious only for plain cause, less troubled by systems than by personalities."[30] Whether the plans for employee ownership of stock contribute in the future largely to the spirit of good-will in industrial relations depends principally on the employers. "The movement to sell stock to employees has been initiated and developed by employers. It is today mainly in their hands."[31]

Possibility of Success of Experiments

Handicap from social heritage of hate.-- From the comments of industrial leaders of experience, it is plain that there is no one panacea for industrial rest; but it is equally clear that to treat this social evil most effectively there must be a wise understanding of human nature on the part of the employers.[32] "There is certainly no royal road to the so-called Industrial Democracy."[33] The responsible industrial leader, however, is interested in analyzing the progress made thus far, in order that he may

profit by the mistakes which have been made. What are some of the reasons for the delay in success of the principles of the new leadership? Among the first may be mentioned a factor which is intangible but powerful. This refers to social heritage of hate and distrust bequeathed us by autocratic predecessors. Whether this feeling appears to emanate from employer or employee makes no difference; it is a poisonous element which must be eliminated, because it obscures the individual's power to think clearly and fairly. "By its intensity, the emotion of an instant may prove more effective than others which have been possessed for years...Many employers and many union members find it quite impossible today to discuss each other without a heat which badly warps the straightness of their thinking, perhaps as the result of attitudes forged in the heat of intense emotions years and years ago."[34] It is easy to get in the wrong habit of reacting emotionally, rather than rationally, -- a human tendency by no means confined to the industrial world. As one democratic employer expresses it regretfully, "We are carrying on to-day just as we did twenty years ago and we still incline to the general view that the employer is the enemy and that he must be fought. Even when we have beaten him we still want to fight. The attitude of the French to Germany is meek and mild compared

with the point of view insisted upon by many with regard to employers as a class."[35] Lauck, quoting Eliot, emphasizes the same tendency. Dr. Eliot, in an address prepared for the New Jersey Chamber of Commerce, insisted that there must be abandonment of the conception that "capital is the natural enemy of labor, and...second,....that unorganized laborers are traitors to their class."[36] The power of the emotions is so strong that it will require unusual leadership to overcome their influence.

Need of well-trained leaders.-- Failure in the success of industrial democracy may be due in part to the difficulty of securing well-trained leaders, both for the labor organizations and for the industrial establishments. Many employers are honestly interested in plans which will grant their employees opportunity for self-realization, but they are ignorant of the ways of bringing about this result. Then, discouraged because they do not see striking results of their well-meant efforts, they tend to swing back to the reliance on control by appeal to fear. We should provide means of training responsible industrial leadership for the social obligations which their position calls for. The employer must understand that modern economic organization calls for trained leaders; that the socialized employer, instead of "attempting to impose his will with a heavy hand,....

attempts to release individual energies and to develop and make use of group thought."[37] His attitude, to begin with, must be correct. The responsibility is his, and he can not shift it to the shoulders of the employees. If he is well-informed concerning the correct procedure for enlisting the good-will of his working force, he must supplement this equipment with sincerity of motive. Prepared by past bitter experience, the typical employee is ready to suspect, even without just cause, the employer who initiates democratic practices. He must be motivated by a geniune respect for the rights of his employees, not by the possibility of increasing his fame in the community as a result of his generous paternalism. Self-advertising through democratic experiments is deadly.[38] Likewise, ulterior motives prove destructive of the good-will sought by the employer. For example, if the aim of the employer is the abolition of the union, his plans, no matter how worthy they may be in themselves, are doomed to failure. It is unfortunate that many sincere employers suffer from the hypocrisy of others. "Some employers are not content to earn the good-will of their employees and to deserve their loyalty, but they seize upon the policies of the employer of good intent and pervert them, so as to bind their employees to a subserviency which they misname loaylty."[39]

Sincerity of motive.-- The employer-leader must supplement sincerity of motive with the right methods. If he honestly wishes his workmen to have opportunity for expression through the machinery of employee representation, he will make provision for that actually, not merely theoretically. For example, "a management which understands the nature of the pent-up forces in human beings will not insist upon attending the meetings of the workmen's committees and personally sitting on the safety valve. It is a healthy thing for the industrial system to provide a means of blowing off steam."[40] A similar disregard for human nature occurs when the employer interferes, indirectly, at least, with the elections. Of what possible use in the development of good-will can employee representation be, when the employees have only theoretical freedom in the choice of their representatives. The democratic employer must adopt methods which will "extend to their employees the fundamental guarantee of freedom in organization and election of representatives, and in the maintenance of their own organizations."[41]

Wrong methods fatal.-- Wrong methods are frequently illustrated in the ways in which industrial democracy is instituted in a given establishment. Democracy represents an attempt to eliminate government by force, and yet would-

be democratic leaders reveal a most inconsistent attitude when they force upon their employees these new schemes. The consent of the employees, which must be based in their intelligent interest in the proposed plans, is indispensable to the success of the new regime in industry. Sidney Webb cautions the Works Manager today that "unless the Workshop Committee is really representative of the feelings and desires of every corner of the works, it will not function to the best advantage."[42] He addresses all democratic employers in this fashion: "You must not dream of taking a single step in the direction of Scientific Management until it has been very elaborately explained to, and discussed by, not only the particular men with whom you are going to experiment, but also by the whole workshop. It will, if you handle it with any competence, be a matter of intense interest to them. You must talk to them both publicly and privately, with magic-lantern slides and experimental demonstrations, answering endless questions, and patiently meeting what seems to you frivolous objections...Remember, it is the men's working lives (not your own life) that you are proposing to alter, and their craft (not yours) that you may seem to be going to destroy. You will be making a ruinous blunder, fatal to the maximum efficiency of the works, if you content yourself with bribing, by high rates, bonuses, or re-

wards, just the few individual men whom you propose to put on the new system, whilst leaving the opinion of the rest of the staff sullenly adverse."[43] This advice, after all, is nothing but an application of the principles of social psychology to the particular human problems inherent in our industrial relations.

Open diplomacy important.-- A spirit of "open diplomacy between the co-operators...allays suspicion and feeds the spirit of common effort."[44] Nothing is so irritating as to be kept in ignorance of plans which are contemplated, especially when they directly concern the individual's welfare. If open diplomacy is evident, much can be done to overcome another handicap to success of industrial democracy. I have in mind the formidable opposition on the part of the labor unions, and particularly on the part of the labor leaders. We have already stressed the great importance of leadership; labor leadership offers no exception to this fundamental concept. If harmonious relations are to be permanently established between employers and employees, the obstacles presented by unwise labor leaders must be removed. Our science of human nature will help us here, too, to understand why this factor gives us so much trouble. Labor leadership affords abundant opportunity for the activities of pathological types of personality.

"Men who suffered inferiority complexes in their childhood," Professor Groves tells us, "often are driven through life by their inner sense of inadequacy and, as they increase their power, make greater and greater efforts to dominate others in order to bring about emotional satisfaction. Such persons may be capitalists who enjoy the present opportunity that the struggle between capital and labor affords for a contest; or they may be labor leaders who in the same manner make use of their authority to bring about strikes, not to advance the interests of the laborers so much as to satisfy their own inherent craving for power."[45]

The importance of the labor leader.-- Labor and society have suffered too long from this type of irresponsible leadership, just as deadly in its effects as irresponsible leadership on the part of the employers. It is true that "leaders have for too long, while babbling of the poverty of the worker, treated his weekly wage with callous indifference when they saw some opportunity for self-advertisement by using the big stick of the strike."[46] It is high time that Sir Benn's "ideal labor leader" came to the front. In philosophizing as to what he would do if he were a labor leader, he says, "I should like to be known as the peace man, the man who really did do something to root out the vice of hate....The man who could succeed in establishing in the

minds of the people a conviction of the uselessness of hate would indeed secure an immortality of a kind that would surely leave him indifferent to the more personal sort of after life so much discussed."[47] Samuel Gompers shared this opinion when he wrote, "Trade union membership -- under wise leadership -- is a protection against unwarranted warfare."[48]

While we are looking for a supply of socially-trained employer-leaders, we must give due heed to the importance of a similar type of labor leader.[49] It is fortunate for the social order that labor is beginning to respond to the new ideal of industrial peace by a new type of labor leader. In some instances, it is evident that "technically educated, industrial statesmen have replaced the crude rebel leaders of the early states of industrial conflict."[50] Co-operation between employers and employees needs the aid of intelligent labor leadership, for "the part labor will play in the new state depends now largely upon labor itself. Labor must see that it cannot reiterate its old cries, that it need no longer demand 'rights'. It is a question of a new conception of the state and labor seeing its place in it. Labor needs leaders today who are alive not only to the needs of labor, but to the needs of the whole state: then it will be seen as a corollary how labor fits in, what the state needs from

labor, what labor needs from the state, what part labor is to have in the state."[51] This is essentially a plea for the abandonment on the part of labor of the militaristic policy which its leaders have insisted on perpetuating. Selfishness of spirit demonstrated by the labor group is just as worthy of condemnation as that displayed by the employers. This need points, in turn, to the necessity of intelligent workmen, socially-trained "followership".

Intelligent followership needed.-- Many of the critics of our present experiments in industrial democracy fail to realize that responsible leadership, represented by both intelligent employers and labor leaders, must be supplemented by competent followership. This relates not only to vocational training, but, equally important, to social education which equips the worker with the ability to adopt the right attitudes and to adjust himself to those with whom he associates. The workers must desire to participate in industrial democracy and they must know how to carry out those desires when opportunity is given them. We must overcome, in some cases, the apathy which is the natural result of years of suppression of the inclination to self-expression.[52] Many employers testify that the workers hesitate to express themselves in shop committees, but are overheard outside giving vent to abundant ideas, some of them worth discussing.[53]

The workers need more education, vocational and liberal, if they are to participate effectively in the intelligent followership for which industry calls. This education will, among other things, help them to realize the importance of leadership and of their loyalty to this leadership, if it is fair in recognizing their rights of self-development. "The masses lack the intelligence to recognize a leadership that aims to alter conditions and institutions in a way to achieve for the masses a progressive satisfaction. This lack of intelligence is due to mediocre mentality, to deficiencies in public education, and to conditions that dull the sensitivity of the common man, as the intensity and monotony of work of the masses. In addition to these deficiencies there are too few sensitive and capable leaders in close touch with the masses and interested in their welfare."[54]

Participation of the workers in management.-- We should have less difficulty in answering another question which threatens to defeat the ends of the new leadership, -- the question of participation in actual control by the workers -- if we were assured of this type of followership among the employees. Many employees insist that the attempt to make them partners in the industrial world is only half-hearted, because they are denied the right to share in management. Some insist that the American worker has little desire for

actual participation. These writers blame the "sociologists-in-a-hurry" for the insistence that the workers will never be satisfied unless they are granted this privilege. "The American worker in general," writes Calder, "has little desire and practically no equipment for a place at a directors' board, for responsibility, and for intervention in running the business as a whole. He is also far from approving or desiring the ambitious schemes of some of our 'sociologists-in-a-hurry' for projecting the wage-earners will-nilly into such a position.

"Those ideas of self-expression and self-determination in ownership, which they insist are for his good -- even if he doesn't know it--- are put forward in part by people who are often astonishingly ignorant about industry outside of what is printed and talked about in a restricted circle.... The consensus of those who actively direct the worker and spend their days with him as distinguished from those who merely theorize suggestively about what he ought to want, is that management-sharing by employees at large in the real, responsible sense of a determing voice in the business policies and decisions of a concern -- is not a noticeable desire amongst them yet."[55] This opinion appears to derive confirmation from a comparison with that of representative members of the group of democratic leaders. Lewisohn, for example, thoroughly committed as he is to the policy of industrial

good-will, feels certain that the workers are not desirous of participating in the control of the enterprise. After frequent inquiries among "progressively-minded employer friends who have been experimenting with modern methods of consultation, as to whether there is any disposition on the part of the workers to take over the responsibilities of management," he reports that "practically without exception...the workmen were reluctant to assume such responsibility."[56] Another devotee of industrial democracy, Mr. A. Lincoln Filene, asked his employees regarding their wishes in this matter, and in each case, received an emphatic negative answer.[57] It may be that labor does not dare express its leanings in this direction, for fear of irritating the employer. More likely, however, labor is wise enough to realize its inability to handle such a proposition. "In fact," says Professor Commons, "the whole history of labor organization shows that 'labor' as such, cannot manage Industry."[58] Until labor is prepared for such responsibility, neither employers nor employees can be affected otherwise than harmfully, if a premature attempt is made to participate actively in the control of industry. In the meantime, sincere and fair-minded employers will find means of making the workers feel that they are an important part of industrial partnership. "Partnership is essentially a matter of

status. It does not involve identity or similarity of function on the part of the partners, or equality of either service or rewards; but it does imply equality, as respects the right of representation, in the determination of policy on matters of common interest."[59]

Success gradual.-- All of the above difficulties challenge the industrial leader to renewed efforts in the interest of democratic relations between the employer and the employee. No desirable change in the social order was effected without struggle and initial disappointments. To use Sidney Webb's expression, we gain the victory ultimately if our responsible leaders are prepared for the "inevitableness of gradualness."

CHAPTER VI.

CONCLUSION

Public Welfare and the New Leadership

Industrial unrest of vital interest.--The unbiased student of industrial relations must be impressed with the relation of responsible leadership in industry to the public welfare. Aside from consideration of the two interest groups of employers and employees, there is a larger, deeper significance in our study. That significance, as it is impressed more emphatically upon modern employers will lead an increasing number of them to face squarely the problem which confronts them as social leaders. When any group forfeits public approval, because its practices menace public welfare, it can afford to lose no time in bringing itself into harmony quickly with society's demands. We are today face to face with an industrial dilemma, because of the failure of control by autocratic methods. The present crisis necessitates the adoption of a new ideal, that of democracy, in industrial government. The old regime of autocracy has proved to be socially unserviceable and,

therefore, no longer to be tolerated. We have no further patience with the social ills it occasions. We resent the fact that the "massing of all employers into one group and all workers into another, has developed, as it were, into a race in armaments",[2] and we are thoroughly weary of this state of "incipient civil war in industry."[3]

Society's reliance on industrial leadership.--This shifting from industrial autocracy to industrial democracy must be accomplished primarily through the employer. He must take the initiative, because society expects him to. And through his leadership he must win over to the side of peaceful co-operation the militant element in the labor group, including the leaders. The employer is, in truth, just "beginning to understand what employing means. He has been trained too long in the school that called him an employer while it never devoted any thought to the art or science of employing."[4] In the past, interested solely in the output of commodities, he naturally regarded labor as a certain kind of commodity, and planned on controlling these necessary factors in production by means of force and fear. Now, in the face of intolerable unrest as a result of this system of control, he attacks his problem from a different viewpoint. "He realizes that he is a leader of men....Many thousands of employers are to-day busily

at work endeavouring to discover how they may adjust the relations between themselves and their employees in such a way as to conform to the new conception of social equality."[5] There will be more recruits to this enlightened group, as the results of government by appeal to good-will become apparent. No rapid progress, however, can be expected until there is more universal education for both employers and employees concerning what is expected of them by The Great Society which they are serving.[6]

Social scientists tell us that any institution which does not prove serviceable to society, may expect to commit suicide by its very disregard of social welfare. The institution of industrial autocracy, with its indispensable will-to-power leaders, will be obliged to follow this course in time, -- is, indeed, already following it, because of the enormous social waste resulting from the ill-will it has brought in its train. Energy which ought to be diverted into channels resulting in increased production and greater human happiness has been consumed ruthlessly in the activities motivated by hatred and suspicion. We have seen that they can not be accurately measured; perhaps it is just as well, for the picture is black enough with the figures

we have. The loss has been, and continues to be, both material and psychological. Efficiency suffers from industrial strife, and at the same time, the warring, discontented worker loses in individual satisfaction and happiness. Then, because he is a discontented workman, he is a less efficient one. Thus, we have a vicious circle which becomes increasingly menacing in its social significance.

Increasing aid from experts in human nature.--As the pendulum swings in the direction of control by appeal to the good-will of the employees, we see a growing respect on the part of the employers for the counsel which students of human nature have to offer. Heretofore, there has been a tendency to regard the two interests as entirely separate. The field of sociology has failed to render the contribution which the industrial world has, without knowing it, so sorely needed. Indeed, social scientists, by their policy of laissez-faire in the field of economics, have unwittingly strengthened the false assumptions made by those in control. "Social scientists have tended...to accept as final the view of human nature implied in the traditional social relations assumed in their premises, and have failed to discriminate between a motive that is essential...in human nature."[7] The new leadership in industry is vital-

ly concerned with the human nature with which it is dealing, that is, with the "essential conceptions of human nature which will serve all social sciences."[8] The essence of these conceptions consists of respect for the individual employee's personality and willingness to give it reasonable opportunity for development. The present contribution from the science of human nature is by no means complete; but we shall make more rapid progrees with our industrial unrest if we put into practice the existing fund of knowledge regarding human nature.

Emphasis on good-will.--The most vital contribution from this fund of knowledge, aside from its emphasis on the importance of self-realization of the workers, is its insistence that "men can be led faster and further than they can be driven."[9] The temporary and superficial obedience to arbitrary power shrinks into its merited insignificance when contrasted with loyalty of intelligent followers to responsible leaders. The good-will brings definite results in increased efficiency and willingness to comply with necessary restrictions imposed by such leaders. "When the people have the 'consciousness of consent', they are much more ready to comply with the commands that have in the common interest to be given."[10] Human nature is not so inclined to

resist guidance when it is motivated by respect for their rights and their feelings; and it is not so likely to secrete for future use the smouldering resentment which accompanies inevitably the use of coercion by industrial authority. "Human nature is as sensitive in matters of self-respect as in matters of self-interest. This is something of which too careful account can not be taken in industrial relations. Men will stand for short allowance when they will not stand for impudence. The trouble which incivility brews, no matter from which side it comes, is usually much more difficult to cope with than any matter of accounts."[11] Co-operation is impossible unless there is mutual respect for personality; where that exists, there results an atmosphere of goodwill, "that unknown factor pervading the business as a whole which cannot be broken up and measured off in motions and parts of motions, for it is not science but personality."[12]

Outlook for the Future

Optimism justified.--What is the outlook for the increase of the type of industrial leader who is able to foster this invaluable spirit of good-will? Comparison of the opinions of experts consulted in this study

reveals, generally speaking, an optimistic viewpoint. They realize the need of patience and "the inevitableness of gradualness", but they feel that there can be no question concerning the ultimate results. The progress will be more rapid as the adoption of the ideal of social service becomes more extensive in all our relations. The greatest obstacle to unhampered progress in the field of industry lies in the general ignorance regarding the meaning and importance of this ideal which acts as a sort of "social cement" between our various interest groups. "Let Labor and Capital unite under the ideal of social service," urges King: "the work of material production will go on; not only will it vastly increase, but the whole complexion of Industry will become transformed. No longer will Industry be the battleground of rival and contending factions; it will become the foundation of a new civilization in which life and happiness abound,"[13] The alternative, of course, is the continuance of warfare and mutual injury to all concerned. "Labor and Capital may assume an attitude which means either that they will ultimately clash, or that they will grow farther and farther apart. In such a case, they can render full measure of service neither to Industry nor to the State. The on-

ly enduring attitude is one which makes possible continuous co-operation; a parallel outlook inspired by Faith, not an outlook distorted by Fear."[14]

Progress dependent upon industrial democracy.--
The feeling among the pioneers in industrial democracy tends to be that expressed by a prominent member of the new leadership. "Civilization," he warns, "is not safe without democracy in industry."[15] In the interest of orderly progress, we can not afford to take chances by delaying too long the introduction of co-operation to supplant the destructive, traditional rule of force and fear. "Only the spontaneous loyalty of free citizens under a democratic government can be counted upon as the final bulwark of a state. The subjects of tyrant states sooner or later turn upon their masters, destroy their institutions and set up other forms of government which are not based upon the consent of the governed."[16] It is surprising that we have not applied long ago the teachings of political history to our industrial situation, for "there is no reason to suppose that the case would be different with industrial democracy, should a sweeping revolution suddenly place the working people in control of industry."[17] All the distress of revolution can be avoided by the wise guidance of the new leadership in industry.

There are, to be sure, among the economists as

well as among the employers and labor leaders, some evidences of pessimism. Taussig, for example, is rather sceptical. "A broad and enlightened policy on the lines here sketched seems to me quite within the bounds of practicability. Whether it is not only practicable, but also probably of adoption, I would not venture to say. The average employer is a narrow-minded person, well-informed and thoughtful only about the small circle of his routine business operations. Too commonly he thinks of his employees as mere pieces of usable mechanism, not as human beings. The suspicions and prejudices of the workmen, engendered by their own narrow-mindedness and strengthened by bitter experiences, contribute in turn to a mechanical relation between masters and men. Yet it is only by allaying these suspicions, by tempering these prejudices, that any progress can be made toward an industrial organization which will not smother the natural instincts and shall promote with fuller effect the final aim of industry,--the happiness of life."[18]

Influence from religion.--An additional force has recently been added to the new program for industrial relations, namely, the support given by the church. Since sociologists recognize religion as one of the

great forces of social control, this factor is worthy of comment. No better indication of this trend is available than Jerome Davis' book on "Business and the Church," just published. This is a symposium of articles written by business men and labor leaders, twenty-one representatives of the modern tendency toward industrial democracy. The book is dedicated to "those employers and labor leaders who dare to be experimental pioneers in creating industrial brotherhood and to those ministers who are prophetic in the service of God, daring to challenge and rebuke existing wrongs." We have always had their theoretical support in humanitarian movements, but, in most cases, it has not counted for as much as it should have, because it was unwilling to base its activities on facts derived from actual investigations. Professor Davis' book, on the contrary, consists entirely of conclusions drawn by practical men of affairs from their everyday contacts with the industrial world. No one could read the book without regarding the outlook for industrial democracy optimistically.[19] The same type of work is found in Lauck's recent book on Political and Industrial Democracy, which gives a lengthy section to a consideration of "The Attitude of the Churches Towards Social and Industrial Reconstruction."[20]

Period one of transition.--The period is, of course, one of transition and experimentation,[21] so that prophecies concerning the future should be cautiously made. Nevertheless, in view of the general trend, it may be safely stated that "all things work together for the coming of industrial democracy...Men by nature of their deepest instincts and highest aspirations are destined to be free and equal in status as they engage in the common enterprise of production in the service of humanity. The industrial life of men and nations may, therefore, be expected to emergy from its present state of industrial and international anarchy, characterized by the appeal to force, and to approach the ideal of civilized human life, characterized by the reign of law and order as rapidly as intelligent recognition is accorded to the principle of representative government as the scientific law of industrial relations."[22] The need is urgent because of the hidden possibilities of industrial unrest, and Rockefeller did not exaggerate when he said that "the problem of promoting the co-operation of Labor and Capital may well be regarded...as the most vital problem of modern civilization."[23] It is so vital because the persistence of ill-will and warfare will in time destroy "that industry, the careful preservation of which affords the only means by which

the less fortunate people in this country can hope, with the goodwill of all classes, to share in all the gifts that our civilization has to offer them."[24]

If we can bring to bear at once all the forces available in the interest of this new industrial regime, we shall find the victory assured. "The present vibrates with hope. Almost daily we hear of the new spirit in industry, not yet fully incarnate, it is true, yet vigorously alive nevertheless. It would indeed seem that, with skilled judgment and co-operative good-will, the currents of universal endeavour which long enough have been running divergently...may happily be guided at no distant date into a single channel of movement."[25]

SUMMARY

This study of "Some Sociological Aspects of Industrial Leadership" approaches the problem of industrial unrest from the angle of the sociologist, rather than from the narrow economic viewpoint. The justification for this approach is found in the invaluable contributions to human conduct in all walks of life from applied sociology. The paper makes no attempt to develop any technical sociological theories, but aims instead to put to use the practical knowledge concerning human nature which sociology commonly teaches. It assumes that many mistakes have been made in the past through the isolation of economic matters from human considerations, and that a distinct gain may be made in the reduction of industrial discontent by applying some of the teachings of the science of human relationships. It is understood that there is much controversy among the sociologists, but that has not been allowed to stand in the way of the adoption of principles which appear to have bearing on the problem under consideration. Enormous social waste results from delaying until the scientific investigations are complete.

The paper assumes that the crux of this problem lies in industrial leadership. Organized industry is regarded as a form of public service, and the employers are recognized as responsible social leaders, bound by obligations which can not be disregarded. Sociology teaches that intelligent leadership and intelligent followership bound together by the psychological bonds of loyalty and good-will are indispensable for effective organization. This is as true in the field of industry as elsewhere. Mistakes have been made and are being made because our industrial organization lacked the prerequisites mentioned. We have depended for the smooth operation of our industrial machine on leadership of the autocratic type. Under this system, as in government, employers are not held to the duties of responsible social leadership, but are free to control their establishments through force. Under autocracy, apparent obediance is secured through appeal to the fear of the employees, with no regard for the desirability of appeal to their loyalty and good-will.

Just as this regime has met with defeat in government, it has encountered failure in industry. Tradition, however, causes many to cling to a faith in its pow er, and thus enhances the social loss through the

activities fostered by ill-will, such as strikes, sabotage, labor turnover, industrial espionage, and general inefficiency and unhappiness. The situation has grown so serious that social pressure is being exerted in the attempt to encourage the necessary changes in our industrial relations.

Fortunately, society is blessed with a few leaders of the pioneer type who are willing to take the initiative in the establishment of the new ideals in industry. These employers are at present experimenting with various schemes intended to prove the lasting benefits of good-will in industry. They can arrive at no agreement as to the most effective panaceas in the form of concrete devices. Their experiments range all the way from feeble attempts at employee representation to elaborate arrangements for stock ownership and actual participation in the policies of the company. The paper makes no attempt to cover these various schemes, because of the impracticability of such a detailed listing. Each idea, if worked out in full, might well be made the subject of a dissertation. The aim has rather been to comment on the outstanding propositions in the light of their connection with the principles maintained by the student of human na-

ture. The failures are generally seen to be caused by mistakes in handling the human factors in industry. Well-meaning employers fare as badly as autocratic types when they are ignorant of the normal tendencies of the human beings who are working for them. Methods, for example, fail because they run counter to some of these normal tendencies.

In order that there may be a clear understanding of the human desires which ordinarily motivate the workers, considerable space is given to a discussion of them and their significance to the responsible industrial leader. Again, the discussion, for the most part, is not technical, but merely practical in that it considers only those phases of human conduct which prove especially troublesome in industrial relations; there is no intention of entering the numerous controversies concerning these fundamental behavior tendencies.

Further reference is made to the teachings of practical sociology in connection with the handicap offered by group conflicts. Industry is pictured as consisting of two armed camps, ready to fly to arms at slight provocation, more often than because of serious grievances. Autocracy is to blame for this separation of group interestx,and for the social waste resulting therefrom. The industrial leader of the

new regime believes that he can overcome this spirit of hostility by giving the worker opportunity for self-realization, that is, by showing due respect for his personality. He agrees with the sociologist who maintains that suppressed instinctive cravings are responsible for many conflagrations which annoy the industrial world. Under autocracy, these human desires were promptly stifled under the might force of control by fear. But they did not vanish; they remained hidden, but none the less effective in poisoning the mind of the worker. They furnished the unseen force which precipitated unexpected and unwarranted warfare upon an increasingly impatient society. At the present time, employers and employees who are far-sighted see that they must be united for mutual co-operation in the interest of the general welfare, unless they wish to encounter the wrath of a social order which is weary of their endless strife.

Reference to current literature, written both by and concerning the work of the new leadership, brings me to the conclusion that the immediate future is to witness a reduction of industrial unrest because of the increasing number of responsible industrial leaders who see the necessity of recognizing the importance of the human factors in industry.

NOTES

CHAPTER I

(Starred notes indicate Periodical References)

1. Tead, Instincts in Industry, p. 185.
2. Wera, Human Engineering, Preface, p. vii.
3. Lauck, Political and Industrial Democracy, p. 25.
4. Lewisohn, The New Leadership in Industry, p. 30.
5. Ibid., p. 27.
6. Myers, Representative Government in Industry, p. 22, ff.
7. Ibid., p. 24, ff.
8. Ibid., p. 36.
9. Wallas, The Great Society, p. 323.
10. Watts, Introduction to the Psychological Problems of Industry, Preface.
11. Mayo, The Great Stupidity, p. 233.
12. Rockefeller, Personal Relations in Industry, p. 44.
13. Fitch, Causes of Industrial Unrest, Foreword, IX-X.
14. Williams, What's on the Worker's Mind, Preface, p. v.
15. See Watts, op. cit., pp. 150-153.
16. Williams, The Foundations of Social Science, p. 358. Also Ch. XIX, The Relation of Social Psychology to Economics.
17. Ibid., p. 364.
18. Watts, op. cit., p. 19.
19. Myers, op. cit., p. 19.
20. Parker, The Casual Laborer, p. 25, ff.
21. Tead, Instincts in Industry, Preface, pp. ix-x.
22. Williams, op. cit., p. 365.
23. Ibid., p. 352.
24. Ibid., p. 353.
25. Watkins, Introduction to the Study of Labor Problems, p. 6.
26. Douglas, Hitchcock and Atkins, The Worker in Modern Economic Society, p. 3.
27. Groves, Personality and Social Adjustment, pp. 12-13.
28. Follett, Creative Experience, p. 97.
29. Wera, op. cit., preface.
30. Williams, Principles of Social Psychology, pp. 3-4.
31. Tead, op. cit., p. 6, ff.
32. McDougall, Introduction to Social Psychology, p. 29.
33. Groves, op. cit., p. 29.
34. Parker, op. cit., p. 32.

35. Veblen, Instinct of Workmanship, p. 2.
36. Groves, op. cit., p. 29.
37. McDougall, op. cit., p. 47, ff.
38. Parker, op. cit., p. 141, ff.
39. Groves, op. cit., p. 30.
40. Tead, op. cit., p. 11.
41. Parker, op. cit., pp. 33-34.
42. Groves, op. cit., p. 32, ff.
43. Watts, op. cit., p. 174.
44. See, for example, Dickinson, Economic Motives, p.129,ff.
45. Veblen, op. cit., p. 6.

NOTES

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1.* Cleveland, Leadership and Good-Will, p. 232.
2. Wera, Human Engineering, p. 216, ff.
3. See Ellwood, An Introduction to Social Psychology p. 158, ff.
4. Myers, Representative Government, p. 193.
5. Lewisohn, The New Leadership in Industry, p. 22.
6. Follett, The New State, p. 227.
7. Cleveland, op. cit., p. 230.
8. Baker, The New Industrial Unrest, pp. 146-148.
9. Op. cit., p. 2, ff.
10. Williams, Principles of Social Psychology, p. 115.
11. Ibid., p. 117.
12. Lewisohn, op. cit., p. 226.
13. Cleveland, op. cit., p. 231.
14. Commons, Industrial Goodwill, p. 161, ff.
15. Webb, The Works Manager Today, p. 118.
16. See Williams, op. cit., p. 112, ff.
17.* Williams, W., Mainsprings of Men, p. 356.
18.* Op. cit., p. 489.
19. McDougall, Social Psychology, p. 293.
20. James, Moral Equivalent of War, p. 295.
21. Myers, op. cit., p. 228.
22. Plumb and Roylance, Industrial Democracy, p. 11.
23. Brooks, Labor's Challenge to the Social Order, p. 429.
24. Wera, op. cit., p. 32.
25.* See Lippincott, Promoting Employment Team Work and Welfare Work without Paternalism, p. 146, ff.
26. King, Industry and Humanity, p. 108.
27. Ibid., p. 262.
28. Ibid., p. 113.
29. Constitution of Massachusetts, Part I, Article VI.
30. Ibid., Part I, Article VII.
31. MacIver, Elements of Social Science, p. 9.
32. Ibid., pp. 3-4.
33. Cooley, Social Organization, p. 196.
34. Ibid., pp. 349-350.
35. Taussig, Inventors and Money-Makers, pp. 128-129.
36. Filene, A Merchant's Horizon, p. 2.
37. Lauck, Political and Industrial Democracy, p. 340.
38. Wera, op. cit., p. 204.

39. Follett, op. cit., p. 229.
40. King, op. cit. p. 114.
41. Colvin, Labor Turnover, Loyalty, and Output, p.117, ff.
42. Cohen, American Labor Policy, p. 17, ff.
    The creed is given as a footnote on pp. 17-18.
43. Ibid., p. 19.
44. Benn, If I Were a Labour Leader, p. 112.

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CHAPTER III

1. Wera, Human Engineering, p. 115.
2. Rockefeller, Personal Relations in Industry, p. 16.
3. Cole, Labour and the Commonwealth, pp. 21-22.
4. King, Industry and Humanity, p. 114.
5. Ibid., p. 80, p. 83.
6. Follett, The New State, p. 230.
7. Wera, op. cit., p. 223.
8. Scott and Clothier, Personnel Management, p. 7.
9. Tead, Instincts in Industry, p. 44.
10. Plumb and Roylance, Industrial Democracy, p. 84.
11. Hinkle, The Re-Creating of the Individual, p. 7; also, pp. 31-4.
12. Wallas, The Great Society, p. 323, ff.
13.* Williams, Mainsprings of Men, p. 356.
14. Marot, The Creative Impulse in Industry, p. 9.
15. Ibid., p. 9, p. 7.
16. Plumb and Roylance, op. cit., pp. 82-82.
17. See Brown, The Creative Spirit, Ch. 5.
18.* See Williams, op. cit., p. 356, ff.
19. Rockefeller, op. cit., p. 18.
20. Watts, Introduction to the Psychological Problems of Industry, pp. 40-41.
21. Taussig, Inventors and Money-Makers, pp. 61-62.
22. Watts, op. cit., p. 197.
23.* Pound, The Iron Man and the Mind, p. 186.
24. Calder, Capital's Duty to the Wage-Earner, p. 127.
25. Watts, op. cit., p. 120.
26. Ibid., p. 118.
27. Commons, Industrial Good-Will, p. 146.
28. Williams, Mainsprings of Men, p. 42.
29. Ibid., pp. 42-43.
30. Ibid., pp. 43-44.
31.* Mayo, The Great Stupidity, p. 232.
32. Ibid., p. 232.
33. Lewisohn, The New Leadership in Industry, p. 8.
34.* Pound, op. cit., pp. 186-187.
35. Wera, op. cit., p. 48.
36. See Watkins, Introduction to the Study of Labor Problems, p. 254, ff.
37. Watts, op. cit., p. 125, p. 126.

38. See Watkins, op. cit., pp. 259-260.
39. Williams, Principles of Social Psychology, p. 150.
40. Watts, op. cit., p. 153.
41.* See Wolf, Securing the Initiative of the Workman.
42. Colvin, Labor Turnover, Loyalty and Output, p. 93.
43. King, Industry and Humanity, p. 273, ff.
44. Taussig, Inventors and Money-Makers, p. 65.
45. Cabot, What Men Live By, Ch. 4.
46. Tead, op. cit., p. 56.
47. Wera, op. cit., p. 236.
48. Marot, op. cit., p. 32.
49. Watts, op. cit., p. 32.
50. Commons, op. cit., p. 148.
51. King, op. cit., p. 338.
52. Ibid., p. 237.
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54.* Williams, Mainsprings of Men, p. 354.
55. Harrison, Industrial Psychology, pp. 160-161.
56. Taussig, op. cit., p. 67.
57. King, op. cit., p. 239.
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62. Tead, op. cit., p. 172.
63. See Tead, op. cit., pp. 40-41, pp. 173-174.
64. Watts, op. cit., p. 203.
65. Ibid., p. 198.
66. Ibid., p. 199.
67. See Tead, op. cit., pp. 40-41, pp. 173-174.
68. See Equipment of the Workers, Introduction.
69. Tead, op. cit., p. 46.
70. Ibid., p. 67.
71. Groves, Personality and Social Adjustment, p. 44.
72. Veblen, Theory of the Leisure Class, p. 31.
73. Smith, Theory of Moral Sentiments, Pt. I, Sec. 3, Ch. 11, pp. 81, 92; quoted by Dickinson, op. cit., p. 50.
74. Myers, Representative Government in Industry, pp. 54-55.
75. See Allport, Social Psychology, pp. 408-409.
76. Williams, Principles of Social Psychology, p. 16, ff.
77. Watts, op. cit., pp. 146-147.
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79.* Mainsprings of Men, pp. 234-235.
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87. See Tead, op. cit., pp. 68-70.
88. See Myers, Representative Government in Industry, pp. 64-65.
89. See Tead, op. cit., p. 73.
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91. See Williams, Principles of Social Psychology, p. 31, p. 151.
92.* Pound, op. cit., p. 188.
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94. Grant, Fair Play for the Worker, p. 31.
95. Groves, op. cit., pp. 25-26.
96. Ibid., p. 168, ff.
97. Lewisohn, New Leadership in Industry, p. 124.
98.* Williams, Mainsprings of Men, p. 347.
99. Myers, op. cit., p. 206.
100. Ibid., p. 205.
101. Ibid., p. 206.
102. Watts, op. cit., p. 148.
103. Groves, The Rural Mind and Social Welfare, p. 46.
104. Groves, Personality and Social Adjustment, p. 135.
105. Ellwood, Sociology in Its Psychological Aspects, p. 221.
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